



सत्यमेव जयते

Government of India
Ministry of Corporate Affairs

Annual Report

2019-20



ANNUAL REPORT

2019-20



सत्यमेव जयते

Government of India
Ministry of Corporate Affairs

CONTENTS

CHAPTER	PAGE No.
CHAPTER I	
Overview	1-8
CHAPTER II	
Organisational Structure and Functions	9-21
CHAPTER III	
Companies Act and its Administration	22-33
CHAPTER IV	
The Limited Liability Partnership (LLP) Act, 2008	34-35
CHAPTER V	
The Competition Act, 2002 and Other Legislations	36-42
CHAPTER VI	
Towards Interactive and Responsive Administration	43-65
Annexures (I to VI)	66-84

IMPORTANT ABBREVIATIONS		
S. No.	Term	Full Form
1	AAIFR	Appellate Authority for Industrial and Financial Reconstruction
2	APIICO	Andhra Pradesh Industrial Infrastructure Corporation
3	BIFR	Board for Industrial & Financial Reconstruction
4	BOOT	Build, Own, Operate and Transfer
5	BIAC	Bangladesh International Arbitration Centre
6	BIBF	Bahrain Institute of Banking and Finance
7	BMCPL	Bridge Mediation & Consulting Private Limited
8	CDM	Corporate Data Management
9	CCI	Competition Commission of India
10	CoI	Certificate of Incorporation
11	CPGRAMS	Centralized Public Grievance Redress And Monitoring System
12	CLB	Company Law Board
13	CPA	Certified Public Accountants
14	CP&S	Community Personal and Social Services
15	CRC	Central Registration Centre
16	CSC	Civil Service Commission
17	CSR	Corporate Social Responsibility
18	CSCS	Central Secretariat Clerical Service
19	CSOL	Central Secretariat Official Language
20	CSSS	Central Secretariat Stenographer Service
21	CVC	Central Vigilance Commission
22	DGCoA	Director General of Corporate Affairs
23	DoPT	Department of Personnel and Training
24	EPFO	Employee Provident Fund Organisation
25	ESIC	Employee's State Insurance Corporation
26	FC	Foreign Companies

27	GPR	Government Process Re-engineering
28	GST	Goods and Service Tax
29	IAPs	Investor Awareness Programmes
30	IBC	Insolvency and Bankruptcy Code
31	IBBI	Insolvency and Bankruptcy Board of India
32	ICAI	Institute of Chartered Accountants of India
33	ICAI	Institute of Cost Accountants of India
34	ICLS	Indian Corporate Law Service
35	ICN	International Competition Network
36	ICSI	Institute of Company Secretaries of India
37	IDA	Indore Development Authority
38	IEPF	Investor Education and Protection Fund
39	IEPFA	Investors Education and Protection Fund Authority
40	ICPAK	Institute of Certified Public Accountants Kenya
41	IGMC	Investor Grievance Management Cell
42	LLP	Limited Liability Partnership
43	MCA	Ministry of Corporate Affairs
44	MRA	Mutual Recognition Agreement
45	M&Q	Mining and Quarrying
46	MoA	Memorandum of Association
47	MOU	Memorandum of Understanding
48	MSME	Micro, Small & Medium Enterprises
49	NBAA	National Board of Accountants and Auditors
50	NCLAT	National Company Law Appellate Tribunal
51	NCLT	National Company Law Tribunal
52	NeGP	National e-Governance Plan
53	NFRA	National Financial Reporting Authority
54	NFRAA	National Financial Reporting Appellate Authority
55	OECD	Organisation for Economic Co-operation and Development

56	OLs	Official Liquidators
57	OLIC	Official Language Implementation Committee
58	ONGC	Oil & Natural Gas Corporation
59	OPC	One Person Company
60	PIs	Professional Institutions
61	PAN	Permanent Account Number
62	RBI	Reserve Bank of India
63	RCC	Registration and Closure of Companies
64	RE&R	Real Estate and Renting
65	RoCs	Registrar of Companies
66	RD	Regional Director
67	SEBI	Securities and Exchange Board of India
68	SFIO	Serious Fraud Investigation Office
69	SPICe	Simplified Proforma for Incorporating Company Electronically
70	SOCPA	Saudi Organisation for Certified Public Accountants
71	TS&C	Transport Storage and Communication

CHAPTER - I

Overview

1.1.1 The mandate of the Ministry of Corporate Affairs (MCA), inter alia, includes the administration of a wide range of statutes for the regulation of the corporate sector, as given below:

- (i) The Companies Act, 2013 /The Companies Act, 1956.
- (ii) The Limited Liability Partnership Act, 2008.
- (iii) The Competition Act, 2002.
- (iv) The Insolvency & Bankruptcy Code, 2016.
- (v) The Chartered Accountants Act, 1949.
- (vi) The Cost and Works Accountants Act, 1959.
- (vii) The Company Secretaries Act, 1980.
- (viii) The Societies Registration Act, 1860 and Indian Partnership Act, 1932 (in centrally administered areas).
- (ix) The Companies (Donations to National Funds) Act, 1951.
- (ii) Notification of remaining sections of Companies Act, 2013 and Companies (Amendment Act, 2017).
- (iii) Formulation of Rules and regulations under various Statutes administered by the Ministry.
- (iv) Convergence of Indian Accounting Standards with International Financial Reporting Standards (IFRS).
- (v) Implementation of Competition Act through the Competition Commission of India (CCI).
- (vi) Implementation of e-Governance in MCA.
- (vii) Building systems for early detection of irregularities in corporate functioning.
- (viii) Conducting Investor Education and Awareness Programmes.
- (ix) Investigation of serious frauds through the Serious Fraud Investigation Office (SFIO).
- (x) Management of the cadre of the Indian Corporate Law Service (ICLS).
- (xi) Administrative support to attached organisations, namely, IICA, SFIO, CCI, NCLT, NCLAT and IBBI.

Functions

1.1.2. The main responsibilities of the Ministry are as follows:

- (i) Administration of the notified provisions of Companies Act, 2013 and those provisions of Companies Act, 1956 that are still in force.

Provisions under the Companies Act, 2013 for the benefit of persons with disabilities.

1.2.1 Under Chapter XX (Winding up) of

the Companies Act, 2013 there are beneficial provisions for protecting the right of workmen when it comes to payment of debt during winding up of a company.

1.2.2 Under section 326 of the Companies Act, 2013 the “workmen's dues” rank pari-passu with the dues of secured creditors, which are to be paid in priority to all other debts. The “workmen's dues”, inter alia include wages and salary and all accrued holiday remuneration for a period of two years preceding the winding up order and , all sums due on account of provident fund, pension fund, gratuity fund or any other fund for the welfare of workmen. In addition the workmen are also entitled to a portion of the security of a secured creditor.

1.2.3 As is evident from above, the wages and accrued holiday remuneration for the preceding two years form part of the workmen's dues while the entire amount due in respect of compensation, pertaining to death or disablement of any workmen of the company forms part of the workmen's dues.

1.2.4 On account of the overriding nature of the workmen's dues, the provision ensures that the maximum amount is recovered for compensation on account of disablement of any workman of the company.

Important Policy Developments The Companies Act, 2013

1.3.1 Till date, all sections of the Companies Act, 2013 have been notified. Part of section 2 [clause 67(ix)] relating to Registration of Companies (Sikkim) Act, 1961 and part of section 230 [sub-section (11) and (12)] relating to takeover of unlisted companies are yet to be

commenced.) Section 465 (excluding reference to Registration of Companies (Sikkim) Act) was brought into force on 30.01.2019. National Financial Reporting Authority (Meeting for Transaction of Business) Rules, 2019 were prescribed on 22.05.2019. Pursuant to rule 5 of NFRA Rules, 2018, every auditor of companies/bodies corporate within the jurisdiction of NFRA shall file a return with the NFRA on or before 30th April every year in such form as may be specified by the Central Government. The NFRA (Amendment) Rules, 2019 has been notified on 5th September, 2019 proposing that the above stated Annual Return shall be filed before 30th November every year. The form of Annual Return (Form NFRA-2) which has been devised after detailed consultations (including with NFRA) has also been included in the notification.

1.3.2 Amendments have been made in various Rules prescribed under the Companies Act, 2013. In order to facilitate Ease of Doing Business (EoDB) in India and to improve India's ranking, this Ministry has taken number of reforms which are as under:-

- (i) Introduction of a new web service facility called “Reserve Unique Name” (RUN) which dispenses with the need for filing a detailed six page application form, (erstwhile e-form INC-1) and replacemit with a simple web service wherein only three fields are required to be filed after login.
- (ii) Setting up a Central Registration Centre (CRC) for processing of applications for name reservation and incorporation of companies & LLPs within 1-2 days.

- (iii) No fees is charged for all companies having an authorized capital upto Rs. 15 lakh or in respect of companies not having a share capital whose number of members as stated in the articles of association does not exceed twenty.
- (iv) Integration of MCA21 system with registration of EPFO, ESIC, GST, PAN and TAN at the time of incorporation of companies in SPICe Form. Ministry has amended the Companies (Incorporation) Rules, 2014 and integrated incorporation form SPICe which extends 8 services (Name Reservation, PAN, TAN, DIN, EPFO, ESIC, GST and Incorporation) for starting a business.
- (v) Name Availability Rules have been simplified. In order to remove ambiguity in name reservation, Companies (Incorporation) Rules, 2014 is amended through Companies (Incorporation) Fifth Amendments Rules, 2019. Consequently, time taken for approval of name of proposed company has reduced to 1-3 days.

Companies (Amendment) Act, 2017

1.4.1 The Companies (Amendment) Bill, 2017 was assented by Honourable President on 3rd January, 2018 and enacted as Companies (Amendment) Act, 2017 [CAA-17]. One section relating to Nidhis and rules thereunder namely Nidhi (Amendment) Rules have been notified recently on 1st July, 2019 [effective from 15th August, 2019]. All sections of CAA-17 (93 in total) have been brought into force as on date. Parts of section 23 and 80 of CAA-17

requires amendment in 2 sets of Rules and Forms notified under the Companies Act, 2013.

Companies (Amendment) Act, 2019

1.5.1 The Committee constituted by MCA to review the existing framework dealing with offences under the Companies Act, 2013 and related matters, had, in August, 2018, recommended that the existing severity of the law should continue for serious offences, whereas the lapses that are essentially technical or procedural in nature may be shifted to in-house adjudication process. The Committee observed that this would serve the twin purposes of promoting ease of doing business and better corporate compliance. It would also reduce the number of prosecutions filed in the Special Courts, which would in turn, facilitate speedier disposal of serious offences.

- (i) The major recommendations of the Committee, inter alia, are as under:–
 - (a) Re-categorisation of sixteen minor offences as purely civil defaults which will de-clog Special Courts;
 - (b) Transfer of certain routine functions from National Company Law Tribunal to the Central Government such as dealing with applications for change of financial year and conversion from public to private companies;
 - (c) To make non-maintenance of registered office and non-reporting of commencement of business, the grounds for striking off names of companies from the register of companies;

- (d) Stringent provisions for creation and modification of charges;
 - (e) Breach of ceiling on directorships to be a ground for disqualification; and
 - (f) To enlarge the jurisdiction of the Regional Directors with enhanced pecuniary limits for compounding of offences under section 441 to ensure that lesser number of cases of compounding are pursued before the National Company Law Tribunal.
- ii. As the Parliament was not in Session and immediate steps were required to make the aforesaid amendments in the Companies Act, 2013, it was considered to be urgent and important to plug the critical gaps in the Companies Act, 2013 and also to facilitate ease of doing business and strengthen the corporate compliance management. It was also considered to convert certain fines into penalties so that an atmosphere is created for National Company Law Tribunal and Special Court to devote more time on serious offences and not to be burdened by purely procedural lapses, which tend to take up undue time. Accordingly, an Ordinance, namely, the Companies (Amendment) Ordinance, 2018 (Ord. 9 of 2018) was promulgated by the President on the 2nd day of November, 2018.
- iii. To replace the aforesaid Ordinance, a Bill, namely, the Companies (Amendment) Bill, 2018 was introduced in the Lok Sabha on the 20th day of December, 2018 and passed in the said House on the 4th day of January, 2019 along with the official amendments as the Companies (Amendment) Bill,

2019. However, the said Bill could not be taken up for consideration in the Rajya Sabha. In order to give continued effect to the Companies (Amendment) Ordinance, 2018, the Companies (Amendment) Ordinance, 2019 and the Companies (Amendment) Second Ordinance, 2019 were promulgated by the Hon'ble President on 12th January, 2019 and the 21st February, 2019 respectively.

- iv. In order to replace the Companies (Amendment) Second Ordinance, 2019, the Companies (Amendment) Bill, 2019 was introduced in the Lok Sabha. This Bill contained twelve additional amendments over and above the amendments carried out through the Companies (Amendment) Second Ordinance, 2019. The additional amendments inter-alia, dealt with providing greater clarity on the implementation of provisions relating to Corporate Social Responsibility, rationalising the provisions relating to debarment of auditors and audit firm by NFRA, strengthening the enforcement related provisions of SFIO etc. This Bill was considered and passed by the Lok Sabha on 26th July, 2019 and by the Rajya Sabha on 30th July, 2019. The Honourable President assented the Bill on 31st July, 2019 and accordingly, the Companies (Amendment) Act, 2019 was published in the Gazette on the said date and all its sections have been brought into force except section 21 relating to Corporate Social Responsibility (Section 135 of CA13).

Dematerialization of securities of unlisted public companies

1.6.1 In order to bring about greater transparency in Corporate structure and in view of advantages of dematerialization of securities, especially in terms of KYC and investor protection, the Government's focus on "Digital India" and the enabling provisions available under section 29(1)(b) of the CA-13, the Ministry has amended the relevant rules to apply the dematerialisation requirements to unlisted public companies, in addition to listed companies. Consultations were held in this regard with all stakeholders and rules were amended on 10th September, 2018 to mandate, w.e.f. 2nd October, 2018, issue and transfer of securities by unlisted public companies in demat form only. However after taking into consideration genuine difficulties faced by some companies, an exemption notification was issued on 22.01.2019 giving exemption to Nidhi, Government Companies and wholly owned subsidiaries from complying with provisions of the said rules.

1.6.2 Companies (Significant Beneficial Owners) Rules, 2018 were amended on the 8th February, 2019 to provide more clarity on the definition of 'significant beneficial owner' and manner of filing of relevant declaration to the company and the Registry. The amendments are aimed at addressing the issues raised by various stakeholders on the Rules.

1.6.3 Companies (Adjudication of Penalties) Rules, 2014 have been amended on the 19th February, 2019 inter alia to enforce the amendment in section 454 of the Companies Act, 2013 made through Companies (Amendment) Second Ordinance, 2019[w.e.f 2/11/2018]. The changes made in the Rules are proposed to ensure speedy adjudication of monetary

penalties by Adjudicating Officers (RoCs).

1.6.4 Databank of Independent Directors- Vide notification dated 22nd October, 2019, the Central Government, has notified the Indian Institute of Corporate Affairs (IICA) at Manesar as the institute to create and maintain the data bank containing names, addresses and qualifications of persons who are eligible and willing to act as independent directors, for the use of the company making appointment of such directors w.e.f 1.12.2019. The Ministry has also notified, on 22nd October, 2019, a new set of Rules namely the Companies (Creation and Maintenance of Databank of Independent Directors) Rules, 2019. The functions and duties of IICA with respect to creation and maintenance of databank have been prescribed in such rules. Rule 5 of the said rules also provides that there shall be a Panel of not more than ten members nominated by the Central Government, for the purpose of approving the outline of the courses and study material prepared by the institute. These rules, except rules with regard to definitions and the Panel, are also effective from 1st December, 2019.

1.6.5 Company Law Committee, 2019- In line with the Government's objective of promoting Ease of Living in the country by providing Ease of Doing Business to law abiding corporates, fostering improved corporate compliance for stakeholders at large and also to address emerging issues having impact on the working of corporates in the country, a Company Law Committee was constituted by M/o Corporate Affairs vide order dated 18th September, 2019 for examining and making recommendations to the Government on various provisions and issues pertaining to implementation of

the Companies Act, 2013 and the Limited Liability Partnership Act, 2008 and other related matters. The Committee submitted its report on 18th November, 2019. The main recommendations of the Committee as included in Chapter I of the Report are as follows:

- i. Re-categorizing of 23 offences out of the 66 which are in the category of compoundable offences to an in-house adjudication framework wherein defaults would be subject to a penalty levied by an adjudicating officer;
- ii. Omitting 7 compoundable offences, limiting 11 compoundable offences to fine only (i.e. removing the imprisonment part) and recommending 5 offences to be dealt with in an alternate framework (including through exercise of contempt powers by the National Company Law Tribunal);
- iii. No change has been suggested in respect of any of the non-compoundable offences;

In Chapter 2, the Committee has made recommendations targeted towards providing further ease of living for law abiding corporates, which are as follows:

- (i) Power to exclude certain class of companies from the definition of 'listed company', mainly for listing of debt securities, in consultation with SEBI;
- (ii) Clarifying the trial court's jurisdiction on the basis of place of commission of offence under Section 452, for wrongful withholding of property of a company by its officers/employees; Including the provisions of Part IXA (Producer Companies) of the Companies Act, 1956 in the Companies Act, 2013; Proposing benches of the National Company Law

Appellate Tribunal; Provisions for allowing payment of adequate remuneration to non-executive directors in case of inadequacy of profits, by aligning the same with the provisions for remuneration to executive directors in such cases; Relaxing provisions related to imposition of higher additional fees under third proviso to Section 403(1); Extending applicability of Section 446B (lower penalties for small companies and one person companies) to all provisions which attract monetary penalties and extending the benefit to producer companies and start-ups also;

Excluding certain companies/bodies corporate from applicability of Section 89 (declaration of beneficial interest in shares) and Chapter XXII (companies incorporated outside India); Reducing timelines so as to speed up rights issues under Section 62;

Extending exemptions from filing of certain resolutions to certain classes of non-banking financial companies under Section 117 in consultation with RBI; Providing power to enhance the thresholds which trigger applicability of Corporate Social Responsibility provisions; Non-levy of penalties for delay in filing the annual returns and financial statements in certain cases.

1.6.6 In addition, the committee while deliberating on certain other issues, felt that wider consultation would be necessary and recommended that the following be taken up in due course, at a later stage;

- (i) Providing for appeal against the orders of the Regional Directors before the NCLT after due examination;
- (ii) Exempting certain private placement

requirements for Qualified Institutional Placements (QIPs) after due consultation with SEBI;

- (iii) Reviewing provisions on disqualification of directors after due consultation and examination;
- (iv) Reviewing provisions in respect of debarment of audit firms after due consultation and examination;

Competition Law Review Committee

1.7.1 The Competition Act, 2002 ('Act') was enacted in the year 2003 and the Competition Commission of India ('the Commission') became operational since 2009. Over the span of last ten years, the Commission has been functioning efficiently and has succeeded to a large extent in curbing anti-competitiveness, promoting free and fair competition, level playing field and ensuring utmost benefits to the end users/consumers. However, issues like sectoral overlaps, cross-border mergers, investigations by Director General and other structural issues etc. have been a point of concern in the anti-trust regime. At the same time, it has faced certain challenges due to change in business dynamics driven by cutting edge technology, innovation and emergence of new business models such as aggregator and e-commerce models etc.

1.7.2 The changed scenario has made it imperative to ensure that the Competition Law is in sync with the new developments, more market friendly and in line with the international best practices. It was in this direction that the Ministry of Corporate Affairs had constituted a Competition Law

Review Committee (CLRC) under the Chairmanship of Shri Injeti Srinivas Secretary, Corporate Affairs in October, 2018 to review and recommend a robust competition regime by taking the inputs of key stakeholders, and suggest changes in both the substantive and procedural aspects of the law.

1.7.3 In line with its mandate, the CLRC reviewed the existing competition law framework in view keeping in mind the changing business environment, and analysed relevant international best practices. In doing so, the CLRC has consolidated views and recommendations from a gamut of stakeholders. Based on a comprehensive review of the recommendations of various Members of the Committee as well as suggestions made by stakeholders, the CLRC submitted its Report to the Government in August, 2019 and recommended certain amendments to the Act and subordinate legislations which are imperative for the smooth functioning of the Act. Some key recommendations of the CLRC are as follow:-

- i Introducing "Green Channel" for combination notifications to enable fast-paced regulatory approvals for vast majority of mergers and acquisitions that may have no major concerns regarding appreciable adverse effects on competition. The aim is to move to a disclose and comply regime with strict consequences for not providing accurate or complete information.
- ii Combination arising out of the insolvency resolution process under the Insolvency and Bankruptcy Code be eligible for the Green Channel.

- iii Introducing dedicated bench in NCLAT for hearing appeals under the Competition Act.
- iv Introducing express provisions to identify 'hub and spoke' agreements as well as agreements that do not fit within typical horizontal or vertical anti-competitive agreements to cover agreements related to business structures and models synonymous with new age markets.
- v Introducing additional enforcement mechanism of 'Settlement & Commitments' in the interests of speedier resolution of cases under Section 3(anti-competitive conduct) and Section 4 (abuse of dominance) of the Act.
- vi Introducing enabling provision to introduce necessary thresholds including a deal-value threshold for merger notification.
- vii CCI to issue guidelines on imposition of penalty to ensure more transparency and faster decision making which will encourage compliance by businesses.
- viii Introduction of Governing Board comprising of a Chairperson (CCI), six Whole Time Members and six Part Time Members (which includes 2 ex-officio members and 4 'eminent persons') to oversee advocacy, quasi-legislative functions, drive policy decisions and perform a supervisory role.
- ix Merging of DG's Office with CCI as an 'Investigation Division' in line with certain national and international best practices to bring about administrative efficiencies in the direction and scope of investigation.
- x Opening of CCI offices at multiple locations to carry out non-adjudicatory functions such as investigation, advocacy and awareness, improve accessibility and boost interaction with sectoral regulators, State Governments and local-self Governments.

CHAPTER - II

ORGANISATIONAL STRUCTURE AND FUNCTIONS

Administrative Structure

2.1.1 The Ministry has a three-tier organisational structure with the Headquarters at New Delhi, seven offices of Regional Directors at Ahmedabad, Chennai, Hyderabad, Kolkata, Mumbai, New Delhi and Shillong; fifteen Registrars of Companies (RoCs), one Central Registration Centre (CRC) at Manesar, nine Registrars of Companies-cum-Official Liquidators and fourteen Official Liquidators (OLs). The Central Registration Centre (CRC) at Manesar (Gurugram) has been set up on 26th January, 2016. A brief description of the above offices/establishments is given in the following paragraphs.

Headquarters

2.2.1 The administrative structure at the Headquarters includes a Secretary, one Special Secretary/Additional Secretary, One Director General of Corporate Affairs (DGCoA), one Additional Secretary & Financial Adviser, four Joint Secretaries, one Economic Adviser, one Cost Adviser, two Directors of Inspection and Investigation, Deputy Director General, Statistics and other officials having expertise in administrative, legal, accounting, economic and statistical matters. The senior functionaries of the Ministry are listed in Annexure-I.

Regional Directors

2.2.2 The Regional Directors (RDs) supervise the working of the offices of the RoCs and OLs located in their respective

jurisdictions. The main function of RDs is to advise and guide RoCs and OLs on technical and administrative matters, to report to the Government particularly on the activities and operations of the companies, and to function as a link between the Central Government and the State Governments in their respective regions on matters relating to administration of Companies Act. The RDs have been delegated powers to directly take up work and dispose off certain businesses under the provisions of the Companies Act.

Central Registration Centre

2.2.3 MCA has taken initiative in Government Process Re-engineering (GPR) and setup the Central Registration Centre (CRC) for processing of “Name Availability” (INC-01) and “Incorporation” (INC-02/07/29) e-Forms. The GPR exercise is in pursuance of the Ministry's objective of providing greater “Ease of Doing Business” to corporates and is expected to result in speedier processing of incorporation related applications, uniformity in application of rules, and eradicating discretion. This process is being supplemented by intensive monitoring aimed at processing of said e-Forms within 1 to 2 working days.

Registrars of Companies

2.2.4 Registrars of Companies (RoCs) are appointed under Section 396 of the Act. RoCs, other than Registrar CRC, continue to have jurisdiction over all the companies including companies incorporated by the

Registrar, CRC, for all other provisions of the Act and the rules made thereunder, which may be relevant after incorporation. MCA exercises administrative control over these offices through respective RDs.

Official Liquidators

2.2.5 Official Liquidators (OLs) are officers appointed by the Central Government under Section 359 of the Companies Act, 2013 (corresponding to Section 448 of Companies Act, 1956) and are attached to jurisdictional High Courts. The provisions of the section and other provisions of winding up under Companies Act, 2013 came into force w.e.f. 15th December, 2016. The respective Regional Directors exercise administrative control of OL offices on behalf of the Central Government. Official Liquidators function under the directions and supervision of the High Courts in the conduct of winding up of affairs of the companies.

2.2.6 With the enactment and commencement of provisions of corporate insolvency under the Insolvency and Bankruptcy Code (IBC), 2016 and consequent amendment of certain provisions relating to winding up in the Companies Act, 2013 and notifications of rules for transfer of pending proceedings relating to winding up from the High Courts to the National Company Law Tribunal (NCLT), the OLs w.e.f. 1st December, 2016 would no longer be entrusted with fresh matters. Such cases have to be dealt with for Insolvency Resolution under Section 7, 8 or 9 of the IBC, 2016 and in case of failure of insolvency resolution process, liquidation will be undertaken by insolvency professionals approved by NCLT.

2.2.7 The duties and powers of OLs

mainly relates to the filing of claims against debtors for realization of debts due to the company; sale of movable and immovable assets of the company taken possession of, by the OL; instituting criminal complaints and malfeasance proceedings against former Directors of the company for acts and omissions and breach of trust; invitation of claims from creditors; adjudication of claims and settlement of list of creditors; payment to creditors by way of dividend and settlement of list of contributories (i.e. a person liable to contribute towards the assets of the company in the event of its being wound-up) wherever necessary; and payment of return of capital where the company's assets exceeds its liability, and finally, dissolve the company under Section 481 of the Companies Act, 1956.

Organisational setup at Headquarters

2.3.1 The Headquarters of MCA is organized into various Divisions/ Sections/ Cells for administering and regulating various provisions of the Companies Act and other Acts administered by the Ministry. Details of the administrative structure on matters relating to the Companies Act are described below. Matters relating to working and administration of Companies Act are discussed in Chapter-III, while the matters relating to the Limited Liability Partnership Act and the Competition Act are dealt with in Chapters IV and V respectively.

2.3.2 The provisions of the Companies Act are dealt with by various Divisions/ Sections/Cell under the supervision of DGC&A, concerned Joint Secretaries, Economic Adviser and Adviser (Cost). A brief description of main activities of these Sections is given below:

2.3.3 Company Law – I Section deals with legislative processes relating to the legal framework governing companies, Limited Liability Partnerships and notification of rules, regulations and circulars there under.

2.3.4 Company Law – II Section deals with examination of inspection reports, investigation reports and technical scrutiny reports received from field offices. After examination of these reports, prosecutions are ordered. In addition, this section deals with the examination of the complaints relating to misuse and diversion of funds, and mismanagement of companies etc. under the provisions of the Companies Act.

2.3.5 Company Law – III Section deals with (a) Reduction of Share Capital, (b) Form and contents of balance sheets and profit and loss accounts, (c) Amalgamation/ Scheme of arrangement etc. of Government Companies, (d) Reference received from RDs/RoCs regarding approval of names of companies and matters incidental thereto (Section 8 of the Companies Act, 2013), and (e) Reference received from RDs/ RoCs for grant of license, revoking of such licenses, alteration of Memorandum and Articles of Association, grant of exemption and matters relating to such companies (Section 8 of the Companies Act, 2013)

2.3.6 Company Law - IV (Legal) Section the major functions of the legal section are:-

- (a) Vetting of para-wise comments in which Union of India is Party.
- (b) Engagement of Government Counsel on the request received from various sections of the Ministry.
- (c) Monitoring of all the court cases in

which Ministry is a party.

- (d) Examination of applications/petitions made to the Central Government under section 399(4) of the Companies Act, 1956; and
- (e) Providing Legal advice to various Divisions of the Ministry as well as to other Ministries as and when sought.

2.3.7 Company Law – V (Policy) Section deals with policy matters for consideration of Cabinet, Cabinet Committees, and Committee of Secretaries. It also deals with declaration of institutions as Public Financial Institutions, issues relating to Capital Market, SEBI, Foreign Direct Investments, Money Laundering, Accounting standards/Convergence with International Financial Reporting Standards (IFRS). It issues clarification/simplification of various rules and procedures prescribed under the provisions of the Companies Act 2013, Companies Act, 1956 and LLP Act, 2008. The Division is also responsible for launching various schemes to aid in the implementation of corporate laws, e-Governance forms, coordinating the framing of guidelines for ensuring uniformity of practices by all field offices and change in the venue for holding the Annual General Body Meetings of Government Companies.

2.3.8 Company Law - VI Section deals with statutory applications relating to appointment of a managerial person in a company when such appointment is not in consonance with Part-I of Schedule V of the Companies Act, 2013. It also deals with payment of remuneration exceeding the limits prescribed under the Companies Act, 2013 to managerial personnel of listed

companies and subsidiaries of a listed company under section 196, 197 read with Schedule V of the Companies Act, 2013 including waiver of recovery of remuneration paid in excess of the limits.

2.3.9 Cost Audit Branch performs the following functions under Section 148 of the Companies Act, 2013;

- (i) Framing policy for cost accounting records and cost audit,
- (ii) Formulates and notifies rules in relation to (a) maintenance of Cost Accounting Records by certain class of companies as may be prescribed; and (b) the audit of cost records of certain class of companies,
- (iii) Undertakes rationalization of Cost Records and Audit Rules, wherever necessary,
- (iv) Monitors compliance under section 148 and other related sections of the Companies Act, 2013 and Companies (Cost Records and Audit) Rules, 2014,
- (v) Initiates penal/prosecution proceedings through RoCs against the defaulting companies and Cost Auditors,
- (vi) Reviews, examines and studies Cost Audit Reports and seeks further information or explanation from the companies as required,
- (vii) Informs the relevant departments/organisations/regulatory bodies about the observations from such study,
- (viii) Reviews the Cost Auditing Standards, as submitted by the Institute of Cost Accountants of India and recommending the same for approval by the Central

Government.

2.3.10 Investor Grievance Management Cell (IGMC) earlier known as the Investor Protection Cell (IPC), is mandated to deal with investors' grievances. Its function is to take up the grievances of the investors with the concerned companies through the RoCs for their expeditious redressal. It also coordinates with various other organisations/departments like Reserve Bank of India, Department of Economic Affairs and Securities and Exchange Board of India (SEBI) etc. for redressal of investors' complaints of these agencies. Broadly, the complaints received in IGMC relate to the following issues:

- a. Non-receipt of Annual Report
- b. Non-receipt of dividend amount
- c. Non-refund of application money
- d. Non-payment of matured deposits and interest thereon
- e. Non-receipt of duplicate share certificates
- f. Non-registration of transfer of shares
- g. Non-issue of share certificates
- h. Non-receipt of debenture certificates
- i. Non-issue of rights/bonus shares
- j. Non-issue of interest on late payment
- k. Non-redemption of debentures and interest thereon
- l. Non-receipt of share certificates on conversion.

2.3.11 The investors/depositors can lodge their complaints with concerned RoCs online, through MCA21 portal, using the

website of the Ministry (www.mca.gov.in). The system acknowledges the receipt of complaint online by generating a complaint number which can be used for follow up of the complaint in future. In order to actively associate with the field offices for redressal of investors' grievances, a nodal team headed by a designated officer has been setup in all the offices of the RDs and RoCs as well as at the Headquarter of the Ministry. The investors can directly take up their grievances with the concerned Nodal Officers at the RoC/RD level. If any investor has any grievance which has not been redressed even after a lapse of reasonable time, the same can be brought to the notice of Nodal Officers appointed by the Ministry. The list of Nodal Officers is available on the Ministry's website under "Investor Services" head. A Standard Operating Procedure has been formulated by IGM Cell for adopting uniform procedure for handling and disposing off Investor's grievances.

2.3.12 Corporate Social Responsibility (CSR) Cell was constituted on 9th May, 2014 and is entrusted with the responsibility of;

- (i) Proposing amendments to CSR Rules and schedule VII of the Companies Act, 2013.
- (ii) Issuing clarifications to references from stakeholders regarding CSR provisions under section 135 of the Companies Act, 2013 Schedule VII of the Companies Act, 2013 and Companies (CSR Policy) Rules, 2014.
- (iii) Coordinating with Department of Public Enterprises (DPE) and other Administrative Ministries for

implementation of CSR by CPSUs,

- (iv) Data analysis relating to CSR expenditure of Companies,
- (v) Regulation of CSR compliance,
- (vi) Participating in sensitization workshops organized by DPE, Apex chambers, IICA and RDs of the Ministry.

2.3.13 Research & Analysis Division (R&A) is responsible for;

- (i) Preparation of Annual Report on the Working and Administration of the Companies Act, 2013 as prescribed under Section 461 of the Companies Act, 2013 and laying it before each House of Parliament within one year of the close of the year to which the report relates,
- (ii) Preparation of Annual Report of the Ministry and submitting it, to the Standing Committee of Finance to enable it to consider the demand for grants of the Ministry,
- (iii) Providing economic inputs on issues relating to, inter alia, Corporate Performance, Capital Market Reforms, Disinvestment and Foreign Direct Investment at the macro level,
- (iv) Representing the Ministry in Inter Ministerial Group (IMG) for disinvestment of CPSUs formed by Department of Investment and Public Asset Management (DIPAM),
- (v) Managing research component "Funding Research and Studies, Workshops and Conferences etc." of the plan scheme of Corporate Data Management (CDM),
- (vi) Formulation of strategic plan and

annual action plan of the Ministry, and

- (vi) Serving as the interface between the Ministry and NITI Aayog.

2.3.14 Statistics Division is responsible for:

- (i) Sharing statistical information on the corporate sector with Central Ministries and Organisations such as Central Statistics Office (CSO), Reserve Bank of India (RBI), and others, as and when necessary;
- (ii) Generating reports for different Divisions of the Ministry;
- (iii) Examining and resolving issues relating to improvements of corporate statistics generated from the MCA-21 portal; and
- (iv) Implementing the Central Sector Scheme Corporate Data Management (CDM).

2.3.15 International Cooperation Section plays a key role in coordinating and organizing interactions with counterpart organizations of other countries, International Organizations such as Corporate Registers Forum (CRF), Global Reporting Initiative (GRI), International Association of Insolvency Regulators (IAIR), Organization for Economic Co-operation and Development (OECD), approval of International MoUs etc.

2.3.16 RTI Monitoring Cell functions as a conduit between the applicant/appellant and the CPIO/Appellate Authority apart from being a repository of all RTI related information. The Cell is also responsible for implementing various Sections of the RTI Act, where an obligation has been cast on the Public Authority. The Cell also

monitors the progress of all RTI applications and appeals to ensure its disposal within the prescribed time limits.

2.3.17 Gender Budget Cell (GBC) has been facilitating the integration of gender analysis into the Government budgeting. GBC of MCA has initiated steps to build up information/database system on the gender representation in MCA, including field offices, attached offices and professional institutes. GBC in MCA aims to help accelerate the growing awareness of the gender sensitivities of budgetary allocation while appreciating how corporate sector oriented policies impact issues of equity and empowerment of women.

2.3.18 Official Language Section undertakes the implementation of the Official Language Act and Rules made there-under; translation of documents issued under section 3(3) of Official Language Act from English to Hindi and vice versa, and also work relating to the Parliamentary Committee on the Official Language. It is responsible for the conduct of the meetings of Official Language Implementation Committee, and for implementation of decisions taken by Hindi Advisory Committee. It administers the Hindi Teaching Scheme, as well as the conduct of Hindi Workshops. It also offers suggestions for the progressive use of Hindi in the Ministry.

2.3.19 Vigilance Wing obtains factual information with regard to complaints received against the employees, conduct preliminary enquiry against the employees alleged for involvement in corruption. It also makes efforts to streamline the existing procedures so as to minimize the scope of corruption and to ensure probity among government servants. Towards

this end, in accordance with the Central Vigilance Commission's guidelines, to rotate the incumbents of the 45 posts of the Ministry which were identified to be sensitive ones, every 2/3 years.

2.3.20 Administration-I deals with Establishment matters relating to - all Group A officers at the Headquarters filled under Central Staffing Scheme; all Group A officers of the en-cadred posts of Indian Economic Service (IES), Indian Statistical Service (ISS), Indian Cost Accounts Service (ICAS) and Central Secretariat Official Language (CSOL); Officers of the Central Secretariat Service (CSS); Officers of the Central Secretariat Stenographer Service (CSSS); Officers of the Central Secretariat Clerical Service (CSCS); General Central Service Group 'B' and 'C' posts at Headquarters; Hindi en-cadred posts in Central Secretariat Official Language Service. It also deals with creation of posts and establishment matters relating to the Office of the Minister of Corporate Affairs, Office of the Minister of State for Corporate Affairs and creation/continuation of posts in Headquarters other than Indian Corporate Law Service (ICLS) posts along with other administrative work.

2.3.21 Administration-II deals with all establishment matters relating to officers of Indian Corporate Law Service (ICLS) (Gr. 'A') and other subordinate grades of ICLS, training and capacity building of ICLS officers & its feeder cadre, framing/ amendment of Recruitment/ Service Rules of ICLS and its feeder cadre, recruitment of Gr 'A' & 'B' officers in ICLS and its subordinate grades, undertakes review of officers of ICLS & its subordinate grades for ensuring probity measures among government employees under FR 56(j) &

identification of sensitive posts.

2.3.22 Administration-III deals with all policy issues related to SFIO and; establishment, personnel and financial matters relating to SFIO which require approval of Central Government.

2.3.23 Administration-IV deals with establishment, personnel and financial matters relating to National Company Law Tribunal (NCLT) and National Company Law Appellate Tribunal (NCLAT) which requires approval of Central Government.

2.3.24 Competition Section deals with matters relating to the enforcement of Competition Act; the formation of Competition Policy; all establishment, personnel and financial matters of Competition Commission of India and Competition Appellate Tribunal requiring approval of Central Government; appointment of chairperson and members in Competition Commission of India as well as in Competition Appellate Tribunal and the condition of service thereof.

2.3.25 Infrastructure Section is looking after the (a) purchase of land and buildings for the Ministry and its field offices, (b) capital works for construction / renovation / maintenance of all buildings (old and new) for the Ministry and its field offices; and (c) finalization of agreements for hiring of buildings on rent at the Headquarters and field locations.

Attached/Subordinate Office/ Organisations National Company Law Tribunal

2.4.1 MCA has constituted National Company Law Tribunal (NCLT) under section 408 of the Companies Act, 2013 (18 of 2013) w.e.f. 1st June, 2016 and by virtue of Section 466(1) of the Companies Act, 2013 the erstwhile Company Law Board

constituted under the provisions of the Companies Act, 1956 stood dissolved, with effect from that date.

National Company Law Appellate Tribunal

2.4.2 MCA has constituted the National Company Law Appellate Tribunal (NCLAT) under Section 410 of the Companies Act, 2013 vide notification No. 1933(E) dated 1st June, 2016 for hearing the appeals against the orders of the National Company Law Tribunal. Earlier, the Competition Appellate Tribunal (COMPAT) was established on 14th October, 2003 under the Competition Act, 2002, with powers to entertain appeals against directions or decisions of CCI, and to adjudicate on claims for compensation that may arise from the findings of the Commission. COMPAT has ceased to exist effective 26th May, 2017. The appellate function under the Competition Act, 2002 is now conferred to the NCLAT.

Competition Commission of India

2.5.1 The Competition Commission of India (CCI) was established in March, 2009 under the Competition Act, 2002 for the administration, implementation and enforcement of the Act. The objectives of the CCI are:

- (a) To prevent practices having adverse effect on competition;
- (b) To promote and sustain competition in markets;
- (c) To protect the interests of consumers; and
- (d) To ensure freedom of trade.

2.5.2 CCI has powers to regulate mergers or combinations, and to reverse mergers or combinations, if it is of the opinion that such mergers or combinations have, or is

likely, to have an 'appreciable adverse effect' on competition in India.

Serious Fraud Investigation Office

2.6.1 Serious Fraud Investigation Office (SFIO) was set up through a Government resolution dated 2nd July, 2003 and has now been given statutory status. It is a multi-disciplinary investigating agency, wherein experts from diverse field of accountancy, forensic auditing, law, information technology, investigation, company law, capital market, banking and taxation etc, for detecting and prosecuting or recommending for prosecution white collar crimes/frauds.

2.6.2 SFIO is headed by a Director, in the rank of Joint Secretary to the Government of India. The Director is assisted by Additional Directors, Joint Directors, Deputy Directors, Senior Assistant Directors, Assistant Directors, Senior Prosecutors, Prosecutors and other secretarial staff. The Headquarter of SFIO is at New Delhi, with five Regional Offices at Mumbai, New Delhi, Chennai, Hyderabad and Kolkata.

2.6.3 Investigation into the affairs of a company is assigned to SFIO, where Government is of the opinion that it is necessary to investigate into the affairs of the company-

- (a) On receipt of a report of the Registrar or inspector under section 2008 of the Companies Act, 2013;
- (b) On intimation of a special resolution passed by a company that its affairs are required to be investigated;
- (c) In the public interest; or
- (d) On request from any department of the Central Government or a State Government.

2.6.4 A List of notified designated Special Court for various States/UTs is at Annexure-II.

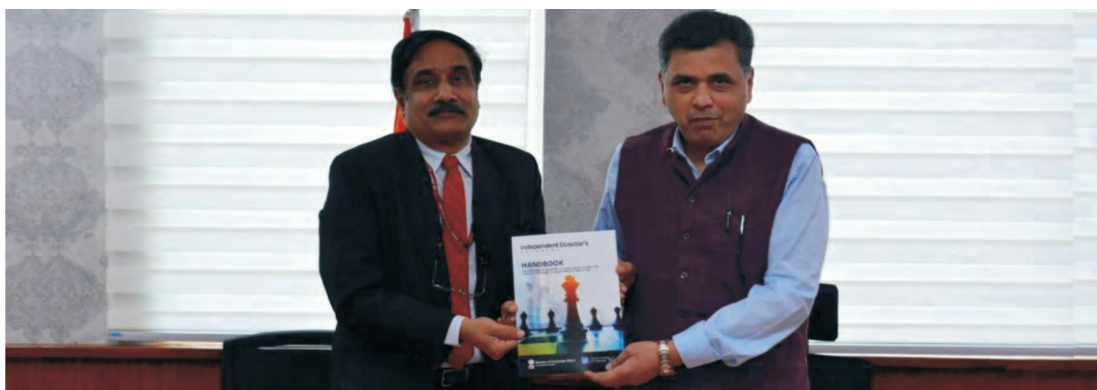
Indian Institute of Corporate Affairs

2.7.1 The Indian Institute of Corporate Affairs (IICA) has been established as a “think-tank” action research, service delivery and capacity-building institute to serve as a one-stop shop providing a platform for partnerships between government, corporate entities and other stakeholders. Since its inception as a Society in the year 2008, the Institute has taken a number of steps to fulfil its mandate.

2.7.2 During the year, IICA has contributed towards several noteworthy activities/ programs. The first National CSR Awards was successfully conducted on 29th October, 2019 at Vigyan Bhawan, New Delhi. It has been instituted by the Ministry of Corporate Affairs to recognize corporate initiatives in the area of Corporate Social Responsibility (CSR) to achieve inclusive growth and inclusive and sustainable development. The ceremony was graced by the President of India, Shri Ram Nath Kovind; Union Minister for Finance and Corporate Affairs, Smt. Nirmala Sitharaman; Minister of State for

Finance and Corporate Affairs, Shri Anurag Singh Thakur; Secretary, Corporate Affairs, Shri Injeti Srinivas; and DG&CEO, IICA, Dr. Sameer Sharma besides industry leaders. A large number of senior government functionaries, CSR professionals, were present during the National CSR Awards Ceremony.

2.7.3 Another major milestone for IICA during the year was creation of Independent Directors' Databank in accordance with the provisions of Section 150 of the Companies Act, 2013. The MCA has entrusted the responsibility of registering around two lakh independent directors with IICA in order to provide them state-of-art training and periodically disseminating knowledge. Simultaneously, acting as a facilitator and educator, the Ministry has provisioned for the capacity building of Independent Directors through an integrated Learning Management System (LMS) to deliver interactive and engaging library of eLearning courses. A dedicated website has been launched (<https://www.independent-directorsdatabank.in/>) on 2nd December 2019. The Databank will serve as a one-stop repository of individuals, eligible and willing to be appointed as Independent Directors.



e-launch of Independent Directors Databank and release of Handbook by Secretary, MCA and DG&CEO, IICA.

2.7.4 An Insolvency Research Foundation (IRF), which was inaugurated by Hon'ble Vice President of India on 2nd August 2019, has been established as an SPV of IICA and Society of Insolvency Practitioners of India (SIPI) located at IICA Campus, dedicated for the purpose of independent research in insolvency. It will cater to various gaps in the area of insolvency with initial projects like supporting Graduate Insolvency Programme (GIP), issuing technical paper series, journals, case studies, etc.

Bankruptcy Code 2016, without having to wait to acquire the 10- year experience as required by the Code at present.

2.7.6 IICA had made strenuous efforts to develop itself as a think-tank in the domain of corporate affairs and policy support to MCA and its allied bodies such as Competition Commission of India (CCI), Insolvency and Bankruptcy Board of India (IBBI), Investor Education and Protection Fund Authority (IEPFA), National Company Law Tribunal (NCLT), National



Inauguration of Insolvency Research Foundation by Hon'ble Vice President of India on 2nd August 2019,

2.7.5 The Institute is also running the Graduate Insolvency Program (GIP), the first of its kind for those aspiring to take up the discipline of insolvency professional as a career or seeking to take up other roles in the value chain, in India and in foreign jurisdictions. The first batch of GIP started from July, 2019 and will be continued as an annual recurring programme which will help in generation of a continuous stream of revenue for IICA in coming years. A student who completes the GIP will be eligible for registration as insolvency professional under the Insolvency and

Financial Regulatory Authority (NFRA) and Professional Institutes (ICAI, ICAI, ICSI). As part of this effort, the IICA is pursuing with different bodies for establishment of domain specific research chairs. As of now, the following Research Chairs have been approved at IICA:

- Competition Commission of India
- Investor Education and Protection Fund
- Insolvency and Bankruptcy Board of India
- Reserve Bank of India

2.7.7 IICA has emerged as an important institute for conducting various courses, seminars, workshops, etc. on issues of relevance to the corporate sector such as Corporate Governance, Corporate Social Responsibility, independent directors, competition issues, etc.

Investor Education and Protection Fund

2.8.1 Investor Education and Protection Fund (IEPF) has been established under Section 125 of the Companies Act, 2013 with the objective of promoting investor education, awareness, protection and to make refund of claim to the investors. The fund is maintained under the Consolidated Fund of India. As per Section 124(6) of the Companies Act, 2013, all shares in respect of which dividend has not been paid or claimed for seven consecutive years or more shall be transferred by the company in the name of IEPF.

2.8.2 For administration of the fund, in accordance with the provisions of subsection (5) of Section 125 of Companies Act, 2013, the Central Government has on 7th September, 2016, established IEPF Authority consisting of a Chairperson, seven members and a Chief Executive Officer. Secretary, Ministry of Corporate Affairs is the ex-officio Chairperson of the Authority.

Insolvency and Bankruptcy Code, 2016

2.9.1 The Insolvency and Bankruptcy Code, 2016 (Code) was published in the Official Gazette on 28th May, 2016 and Government of India (Allocation of Business) Rules, 1961 were amended and notified on 1st Aug, 2016 wherein Ministry of Corporate Affairs was entrusted with

the responsibility to administer the Code. Insolvency regime ecosystem in the form of Insolvency and Bankruptcy Board of India (IBBI), Insolvency Professionals (IPs), Insolvency Professional Agencies (IPAs) and Adjudicating Authority i.e. National Company Law Tribunal (NCLT), is in place. Provisions related to Insolvency Resolution and Liquidation for Corporate Persons as contained in the Code have been made effective along with relevant rules and regulations.

2.9.2 The Code has been amended on 18th January, 2018, 6th June, 2018 and 16th August, 2019 to bring about changes such as introduction of Section 29A to prohibit defaulter promoters from bidding for the assets; treatment of homebuyers as financial creditors, special dispensation for MSME, clarity on allowing comprehensive corporate restructuring schemes such as mergers, demergers, amalgamations etc. as part of the resolution plan, a deadline for completion of CIRP within an overall limit of 330 days, including litigation and other judicial processes, etc. on the recommendation of Insolvency Law Committee.

2.9.3 Government has taken initiative to introduce a chapter on cross border insolvency within the Insolvency and Bankruptcy Code, 2016 to provide a legal comprehensive framework, considering the fact that corporate transact businesses in more than one jurisdiction and also have assets across many jurisdiction. The Report of the ILC on cross border has been submitted on 16th October, 2018 after draft publication and consultation with various stakeholders.

2.9.4 Hon'ble Supreme Court has upheld the constitutional validity of the Code in

the matter of Swiss Ribbons Pvt. Limited vs. Union of India and Pioneer Urban Land & Infrastructure Limited vs. Union of India and has praised the efforts of the Government in enhancing the insolvency regime in the Country.

2.9.5 MCA has re-constituted the Insolvency Law Committee as Standing Committee for review of implementation of Insolvency & Bankruptcy Code, 2016 on March 6, 2019 keeping in view the dynamic nature of the issues involved in the implementation of the Code. In addition to analysing the functioning and implementation of the Code, the committee will also study group insolvency and insolvency resolution and bankruptcy framework for individuals and partnership firms and make recommendation for its successful implementation. The committee may also make any other relevant recommendation as it may deem necessary.

2.9.6 Since the coming into force of the provisions of Corporate Insolvency Resolution Process (CIRP) with effect from 1st December-2016, 2838 Corporate Debtors (CDs) were admitted into CIRP by the end of October 2019. Out of these, 190 were closed on appeal or review or settled or others; 116 were withdrawn under Section 12A; 649 were ended in liquidation and 161 were ended in approval of resolution plans.

Professional Institutes

2.10.1 The Ministry administers laws regulating the Professions of Accountancy (The Chartered Accountants Act, 1949); Costs Accountancy (The Cost and Works Accountants Act, 1959); and Company Secretaries (The Company Secretaries Act,

1980), through three Professional Institutes, namely, Institute of Chartered Accountants of India, Institute of Cost Accountants of India and Institute of Company Secretaries of India set up under these Acts of Parliament.

National Financial Reporting Authority

2.11.1 The Government vide notification no. 5099(E) had constituted National Financial Reporting Authority (NFRA) on 1st October, 2018. In pursuance to the approval of the Appointment Committee of Cabinet (ACC), the Government have appointed the Chairperson and one full-time Member in the Authority. Under subsection 2 & 4 of Section 132 of the Companies Act, 2013, the Government vide notification G.S.R. No. 1111(E) dated 13th November, 2018 notified the National Financial Reporting Authority Rules, 2018.

2.11.2 The objective of the NFRA is to continuously improve the quality of all corporate financial reporting in India. The quality of corporate financial reporting will be measured and evaluated essentially by its compliance with the law and the statutorily notified accounting standards and auditing standards. NFRA will strive for continuous improvement of corporate financial reporting across all types of Public Interest Entities (PIEs) and across all size categories of audit firms.

2.11.3 NFRA aims to be an organization noted for Integrity, Industry and Competence. Persons who work for NFRA will adhere to the highest standards of uncompromising integrity, possess a vision of transforming the quality of corporate financial reporting and display high levels

of initiative and an unflagging drive for their work.

2.11.4 NFRA's functioning will at all times be mindful of the need to promote the ease and speed of doing business, and will be guided always by the overall public interest, with all its actions being strictly anchored by and lying within, its legal mandate.

2.11.5 The Ministry of Corporate Affairs has appointed seven part time members of NFRA vide notification No. S.O. 1068 (E) dated 28th February, 2019. A meeting of NFRA was held on 14th March, 2019 under the Chairmanship of Chairperson of NFRA and give various recommendations to the

Central Government in terms of Section 133 Companies Act, 2013 regarding the following

- i. Notification of Ind AS 116 (pertain to Accounting for Leases)
- ii Notification of amendments to Ind AS 12, 19, 28 and AS 109.

2.11.6 Relevant Accounting Standards were notified by the Central Government as Companies (Indian Accounting Standards) Amendment Rules, 2019 vide Ministry of Corporate Affairs Gazette Notification No.GSR.273 (E) dated 30th March, 2019. The said rules came into force on 1st April, 2019.

CHAPTER – III

COMPANIES ACT AND ITS ADMINISTRATION

3.1.1 Companies Act regulates a wide range of activities, including incorporation, operationalization, governance, liquidation and winding up of companies. Regulation of corporate governance and obligations of companies towards their stakeholders, conditions governing issue of preferential shares, private placements and distribution of dividends, statutory disclosure obligations, powers of inspection, investigation and enforcement and company processes such as mergers/amalgamations/arrangements/reconstructions etc., constitute the main focus of the Act.

Simplification of Rules & Procedures.

3.2.1 During the period 1st November, 2018 to 31st December, 2019, the Ministry issued 62 Notifications and 17 General Circulars. (Annexure III & IV respectively).

Registration of Companies

3.3.1. As on 31st October, 2019, a total of 19,44,336 companies were registered in the country. Of them 11,56,114 companies were active (comprising of 10,90,762 private companies and 65,352 public companies). A majority of the active companies (about 73.54%) were operating in activities covered under four broad heads, namely, 'Business Services' (32.27%), 'Manufacturing' (19.96%), 'Trading' (12.82%) and 'Construction' (8.49%). Business Services, inter alia, include hardware & software consulting, data processing, research & development, legal, accounting & auditing services, business & management consultancy, advertising, etc. Manufacturing, inter alia, includes manufacturing of food products, textiles, paper, metallic/non-metallic mineral products, chemical & petrochemicals, radio, television, transport equipment, etc.

Table 3.1
Economic Activity-wise Active Companies as on 31st October, 2019

(Authorized capital in Rs. Crore)

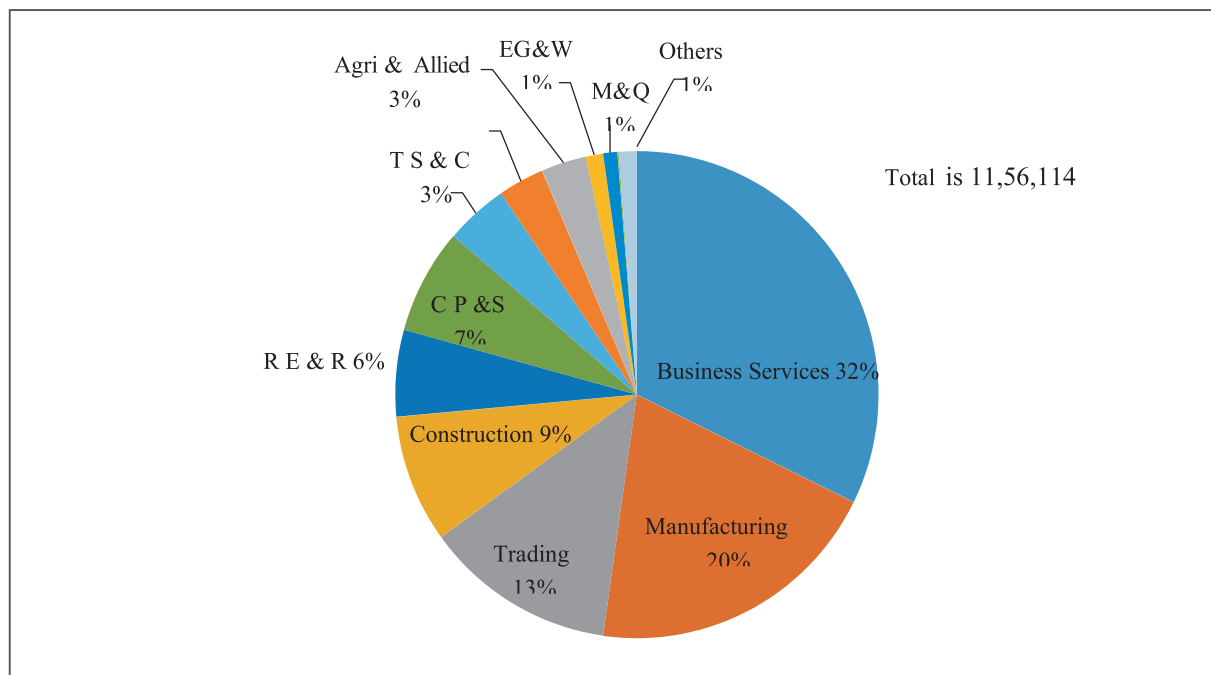
Sl. No.	Economic Activity	Private		Public		Total	
		Number	Authorized Capital	Number	Authorized Capital	Number	Authorized Capital
I	Agriculture and Allied Activities	32,646	24,690.33	2,248	34,357.69	34,894	59,048.02
II	Industry	328,913	1,163,855.51	24,331	2,706,641.22	353,244	3,870,496.73
1.	Manufacturing	212,902	675,402.25	17,816	1,064,145.03	230,718	1,739,547.29
i	Metals & Chemicals, and products thereof	73,225	279,572.57	7,709	425,334.33	80,934	704,906.90

(Authorized capital in Rs. Crore)

Sl. No.	Economic Activity	Private		Public		Total	
		Number	Authorized Capital	Number	Authorized Capital	Number	Authorized Capital
ii	Machinery & Equipment's	50,347	255,723.75	3,362	506,987.00	53,709	762,710.76
iii	Textiles	28,812	39,101.10	2,667	56,251.64	31,479	95,352.73
iv	Food stuffs	30,150	61,049.51	2,391	42,364.64	32,541	103,414.15
v	Paper & Paper products, Publishing, printing and reproduction of recorded media	13,795	15,547.67	837	16,291.27	14,632	31,838.94
vi	Others	11,394	17,204.14	489	13,496.37	11,883	30,700.51
vii	Lather & products thereof	2,744	3,625.51	186	2,025.41	2,930	5,650.92
viii	Wood Products	2,435	3,578.01	175	1,394.38	2,610	4,972.38
2.	Construction	93,991	246,764.76	4,143	307,880.07	98,134	554,644.84
3.	Electricity, Gas & Water companies	11,724	195,504.31	1,653	1,264,347.17	13,377	1,459,851.47
4.	Mining & Quarrying	10,296	46,184.18	719	70,268.95	11,015	116,453.13
III	Services	717,588	1,310,574.48	36,421	1,853,086.26	754,009	3,163,660.74
i	Business Services	363,224	485,233.34	9,904	742,437.79	373,128	1,227,671.12
ii	Trading	142,443	271,926.44	5,794	106,010.70	148,237	377,937.15
iii	Real Estate and Renting	63,756	101,625.98	2,643	56,403.71	66,399	158,029.70
iv	Finance	36,085	199,197.98	12,581	451,381.44	48,666	650,579.42
v	Transport, storage and Communications	34,267	152,155.63	1,447	298,264.68	35,714	450,420.31
vi	Insurance	824	1,185.17	145	54,185.41	969	55,370.58
IV	Others	11,615	48,067.05	2,352	141,008.20	13,967	189,075.25
Total		10,90,762	25,47,187.36	65,352	47,35,093.38	11,56,114	72,82,280.74

Chart 3.1

Sector-wise distribution of active companies as on 31st October, 2019



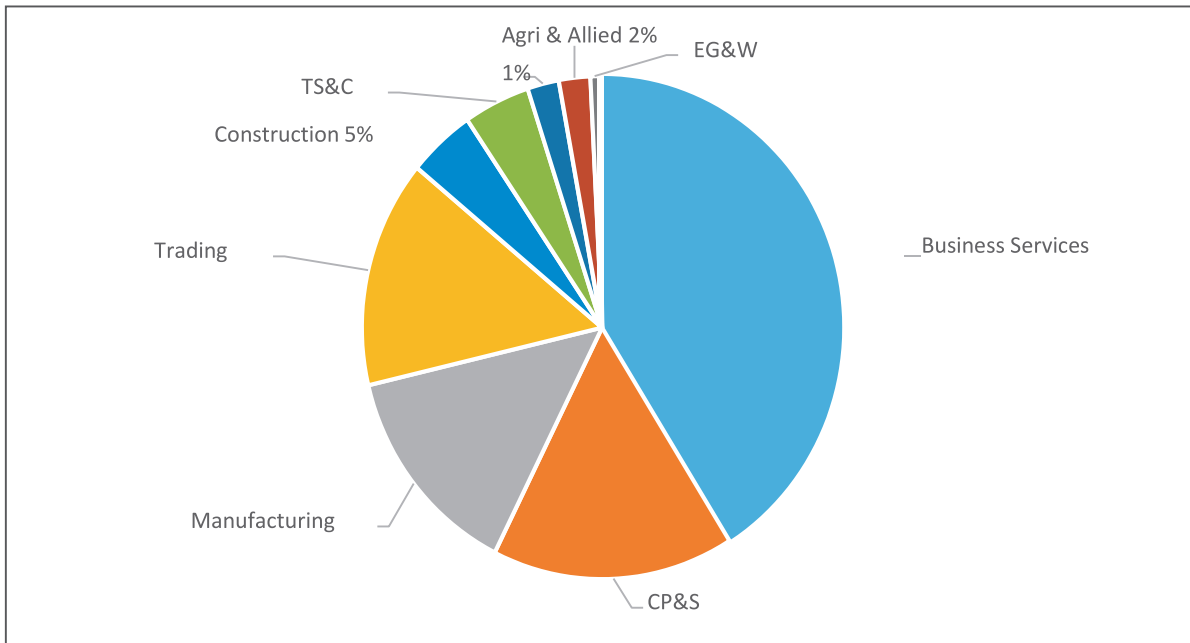
'EG&W' is Electricity, Gas & Water, 'TS&C' is Transport, Storage & Communications, 'CP&S' is Community, Personal & Social Services, 'RE&R' is Real Estate & Renting.

3.3.3 During the period from 1st December, 2018 to 31st October, 2018, a total of 1,15,384 companies were registered with collective authorized capital of Rs.36,483.27 crore. Of these, 60 were Government companies with authorized capital of Rs.6,405.03 crore and 1,15,324 were Non-Government companies with authorized capital of Rs. 30,078.24 crore.

One Person Company

3.3.4 The Companies Act, 2013 introduced the concept of One Person Company (OPC) in India. During the period from 1st January, 2018 to 31st October, 2018 a total of 5,199 One Person companies were registered with collective authorized capital of 142.49 crore. Chart 3.2 provides sector-wise distribution of OPCs registered during the period 1st January, 2018 to 31st October, 2018.

Chart 3.2
Sector-wise distribution of OPCs



'TS&C' is Transport, Storage & Communications, 'CP&S' is Community, Personal & Social Services, 'RE&R' is Real Estate & Renting.

Foreign Companies

3.3.5 As on 30th September, 2019, the total number of foreign companies registered in the country was 4,836 and of them 3,388 foreign companies were active. During the period from 1st December, 2018 to 31st October, 2019, a total of 119 foreign companies were registered under the Companies Act, 2013.

Appointment of managerial personnel and their remuneration

3.4.1 MCA deals with statutory applications relating to appointment and remuneration of a managerial person in a company under Section 196 read with Schedule V of the Companies Act, 2013.

3.4.2 Under Section 196 and Section 197 read with Schedule (V) of the Companies

Act, 2013, a total number of 57 applications were received during 1st April, 2019 to 31st October, 2019. 35 applications were pending as on 1st April, 2019. Out of a total of 92 applications, 15 applications were disposed of during 1st April, 2019 to 31st October, 2019 and 77 applications were pending as on 31st October, 2019.

Liquidation of companies

3.4.3 As on 1st November, 2018, 5,309 companies were in liquidation; out of which 489 companies were under members' voluntary winding-up, 1 companies were under creditors' voluntary winding up and 4,573 companies under winding up by the court. During the period 1st November, 2018 to 31st October, 2019, 246 companies came into liquidation. Out of a total of 5,309 companies, 444 companies were

finally dissolved during the period 1st November, 2018 to 31st October, 2019. 4,865 companies are still in liquidation process as on 31st October, 2019. Out of which 398 companies were under members' voluntary winding-up, 1 company was under creditors' voluntary winding up and 4,466 companies were under winding up by the court.

Merger of Government Companies

3.4.4 Under Section 230-232 of Companies Act, 2013, regarding Notices received from the Tribunal, 424 application was pending as on 31st October, 2018. 1091 application was received during the period. 966 applications were disposed of during the period 1st November, 2018 to 31st October, 2019. 549 applications were pending as on 1st November, 2019.

Notices received from the Tribunal

3.4.5 Under Sections 230-232 of Companies Act, 2013, (Compromises, Arrangements and Amalgamation), only 5 applications were received during 1st November, 2018 to 31st October, 2019 and 10 applications were pending as on 31st, October, 2018. 11 applications were disposed of during 1st November, 2018 to 31st October, 2019. As on 1st November, 2019, 4 applications were pending.

Application received by Regional Directors

3.4.6 Under Section 230-232 of the Companies Act, 2013(Amalgamation on of small companies or between holding and its wholly owned subsidiaries), only 347 applications were received during 1st November, 2018 to 31st October, 2019 and 83 applications were pending as on 31st,

October, 2018. 342 applications were disposed of during 1st November, 2018 to 31st October, 2019. As on 1st November, 2019, 88 applications were pending.

Change of venue of Annual General Meeting

3.4.7 The Central Government has powers to grant approval for change of venue of Annual General Meeting to a place other than where registered office is situated under Section 96 of the Companies Act, 2013.

Condonation of delay

3.4.8 Under Section 460(b) of the Companies Act, 2013 (Condonation of delay in certain cases) wherein any document required to be filed with the Registrar under any provision of the Companies Act, 2013 is not filed within the time specified therein, the Central Government may, for reasons to be recorded in writing, condone the delay. A total of 1,544 applications were received during the period from 1st December, 2018 to 30th November, 2019 and 214 applications were pending as on 31st December, 2018. Out of total applications, 800 applications were disposed of and 205 applications were pending as on 30th November, 2019.

Scrutiny

3.5.1 Power to call for information, explanation or documents relating to a company is vested with the Registrar of Companies (RoCs) under Sub-Sections (1), (2) and (3) of the Section 206 of the Companies Act, 2013.

3.5.2 This Ministry has mandated filing of balance sheets as on 31st March, 2011 and

onwards by a certain class of companies in Extensible Business Reporting Language (XBRL) mode.

3.5.3 The following factors are considered by the Registrars of Companies for undertaking scrutiny of balance sheets and other documents filed by the companies:

- (i) Alerts generated by MCA21 system on analysis of the balance Sheets filed by the companies in XBRL mode;
- (ii) Qualifications in the auditor's report;
- (iii) Companies raising funds through public issues and deposits;
- (iv) Complaints received against companies; and/or
- (v) References received from other regulatory authorities such as SEBI, RBI, Other Ministries/Departments of the Government of India and State Government.

3.5.4 During the period 1st December, 2018 to 7th November, 2019, 583 scrutiny reports were received in the Ministry.

Inspection

3.6.1 Section 206(5) of the Companies Act, 2013 empowers the Registrar of Companies or the Officers duly authorized by the Central Government, to undertake inspection of the books of accounts and other records of the companies in order to direct special audit, to order investigation into the affairs of a company and to launch prosecution for violations of the provisions of the Companies Act, 1956 or Companies Act, 2013. The Ministry received 182 inspection reports during the period 1st

December, 2018 to 7th November, 2019.

Investigation

3.7.1 Power to order investigation in the affairs of company is vested with the Central Government under Section 210 of the Companies Act, 2013, if it is of the opinion, that it is necessary to do so:

- (a) based on a Report of RoC Inspector, under Section 208; or
- (b) based on a Special Resolution of a company that its own affairs need to be investigated; or
- (c) based on judicial orders; or
- (d) in the public interest.

3.7.2 The Central Government may appoint one or more persons as Inspectors for carrying out investigation under Section 210. The Central Government had vide a Resolution dated 12th July, 2003, set up a Serious Fraud Investigation Office (SFIO) to investigate into cases involving corporate frauds. The SFIO has been conferred statutory status by Section 211. The SFIO may be asked investigate under Section 210, in cases characterized by:

- (i) Complexity, and having inter-departmental and multi-disciplinary ramifications;
- (ii) Substantial involvement of public interest to be judged by size, either in terms of monetary misappropriation, or in terms of the persons affected; and
- (iii) Possibility of investigations leading to, or contributing towards a clear improvement in systems, laws or procedures.

3.7.3 The Central Government has ordered investigation into the affairs of **67** companies during the period 1st December, 2018 to 7th November, 2019 through SFIO and RDs Office (33 companies through SFIO and 164 companies through RDs). Out of the investigations ordered by the Central Government in the past years, investigations have been completed in the cases of **44** companies by RDs during the year. The investigations in the case of **179** companies were under progress as on 7th November, 2019, of RDs.

Complaints

3.8.1 Complaints of various nature against the companies are being received in the Ministry. These are being forwarded/marked to the Registrars of Companies for taking appropriate action and submission of report.

3.8.2 On the basis of reports received from RoCs, in appropriate cases, the Ministry takes suitable action, which include:-

- (i)** Issuing orders for scrutiny of Balance Sheets and other documents of companies under Section 206(4) of the Companies Act, 2013,
- (ii)** Inspection of books of accounts and records under Section 206(5) of the Act,
- (iii)** Investigation into the affairs of Companies under Section 210 & 212 of the Act,
- (iv)** As per Section 211 of the Companies Act, 2013, Serious Fraud Investigation Office (SFIO), has been established and it is an independent entity to investigate

the complex matter involving investigation. The power of investigation has been conferred to SFIO,

- (v)** Launching prosecutions where violation of the provisions of the Companies Act, 1956 and /or Companies/Departments of the Government of India including, SEBI, RBI etc.

Action under Section 248 of the Companies Act, 2013

3.9.1 Ministry has launched Drive-III for Striking off Companies under Section 248(1) (c) of the Companies Act, 2013 in the month of July, 2019. RoCs have identified 2,06,000 companies which have not filed annual return and /or balance sheet consecutively for two financial year, i.e. Financial Year 2016-17 and 2017-18. Whereas 41,767 companies are likely to be struck off. Further exclusion as per Rules shall be made by RoCs.

Prosecution

3.10.1 Prosecutions are filed by RoCs against the companies for violations of provisions of Companies Act. As on 1st December, 2018, 39,410 prosecutions filed by various RoCs were pending with the courts. During the year 2019-20 (up to 31st October, 2019), 2,008 fresh prosecutions were filed. Out of 41,418 cases, 7,536 prosecutions were disposed of and 33,882 prosecutions were pending as on 31st October, 2019.

National Company Law Tribunal

3.11.1 During the period from 1st December, 2018 to 30th November, 2019, 53 Members (including President) held 27

courts at 13 locations are working. New Benches at Cuttack, Kochi, Amaravati (at Hyderabad) and Indore (at Ahmedabad) started functioning during the period. The list of the Benches is at **Annexure -V**.

3.11.2 Institution, disposal and pendency of cases during the period from 1st December, 2018 to 30th November, 2019 are as under in **Table 3.2** :-

Table 3.2
Filing/disposal of cases in NCLT

Cases	Fresh Filing	Disposed	Pending as on 30 th November 2019
Merger & Amalgation	2,418	2,176	1,871
IBC (fresh filed include received on transfer from High court but do not include received on transfer from other Benches).	12,089	7,365	11,336
Others	5,226	4,343	7,058
Total	19,733	13,884	20,265

3.11.3 6th Colloquium of Hon'ble Members NCLT was held on 21st, 22nd and 23rd November, 2018 at Chandigarh Judicial Academy, Chandigarh in which the following topics were discussed:-

- (a) Corporate Insolvency law recognizes rights accrued under the general law period to insolvency/Liquidation under IBC.
- (b) Law of Contract, Transfer of Property Act, Sales of Goods Act, Negotiable Instruments Act, RERA.
- (c) Pleadings evidence procedure, court craft and other related issues.
- (d) Applications under Sections 31 and 33 IBC, General Principles of Restructuring, Judges Role in Restructuring.
- (e) Implementation of order and direction of the Adjudicating Authority NCLT after acceptance of

applications u/s 31 and 33 IBC-Role of the Court in Asset Recovery and practical obstacles.

- (f) Recent amendments in IBC. Development of jurisprudence under IBC, Judgments of Supreme Court/NCLAT/NCLT including the subject of home buyer, disability Section 29A and fraudulent transactions.
- (g) Compounding in view of recent amendments incorporated by latest ordinance.
- (h) Judgment writing-standard expression and other related issues.
- (i) Amalgamation, Merger and Demerger-Necessity of holding or dispensing with meeting, accounting standards, Role of RD, OL, RBI & SEBI, etc.
- (j) Relevance of Income Tax Act in

Amalgamation cases.

- (k) Oppression and Mismanagement.
- (l) Class action & Public Interest, Investigation and Investor's Rights (Section 74 etc).

3.11.4 Following infrastructure has been developed during the period from 1st December, 2018 to 30th November, 2019.

1. Steps were taken during this period to develop infrastructure for NCLT Benches at Cuttack and Kochi by approving layout plan/drawings which ultimately led to inauguration of Cuttack Bench on 15th March, 2019 and Kochi Bench on 3rd August, 2019.

2. Progress made during the period from 1st December, 2018 to 30th November, 2019 in e-governance at NCLT, New Delhi was as under:-

- (a) e-Cause list is being generated along with manual cause list.
- (b) Submission of digital files along with physical copies of petition/application has been made mandatory.
- (c) SMS/Email to parties related to cases being listed are sent on everyday basis.
- (d) All petitions/applications received at filing counter are filed through e-filing module as well and metadata for the same is created in parallel.
- (e) e-filing application was released for public access and from 01.01.2019 e-filing has been made mandatory before receiving the petition/application at counter at NCLT New Delhi.

(f) 3,384 petitions and applications under IBC and 1,384 petitions and applications under the Companies Act were received online from 01.12.2018 to 30.11.2019.

(g) The display board is available at NCLT website with real time information for general public.

(h) Metadata creation for pending cases in NCLT, New Delhi completed.

3.11.5 Metadata creation for fresh cases at NCLT Mumbai Bench was kicked off along with on the job training to data entry operators in Mumbai. For other locations the activity is being started.

3.11.6 Display Boards at NCLT Benches at Allahabad, Kolkata, Ahmedabad, Chennai, Mumbai and Chandigarh, Bengaluru, Jaipur and Hyderabad locations are also available with real time information for general public. For all other locations, the set up and procurement of required devices is complete.

National Company Law Appellate Tribunal

3.12.1 National Company Law Appellate Tribunal (NCLAT) is the Appellate Tribunal for hearing appeals against the orders passed by Adjudicating Authority (NCLT) under the relevant provisions of the Insolvency and Bankruptcy Code, 2016(I&BC) w.e.f. 1st December, 2016.

3.12.2 NCLAT is also the Appellate Tribunal to hear and dispose of appeals against any direction issued or decision made or order passed by the CCI - as per the amendment brought to Section 410 of the Companies Act, 2013 and Section 2(ba) & 53A of Competition Act, 2002, by Section

172 of the Finance Act, 2017, respectively, with effect from 26th May, 2017.

3.12.3 Hon'ble Justice S.J. Mukhopadhyaya,

former Judge of the Hon'ble Supreme Court, is the present Chairperson of NCLAT. The Judicial and Technical Members in the NCLAT, at present, are:-

Sl.No.	Name	Member
1	Hon'ble Mr. Justice (Retd.) A.I.S. Cheema,	Member (Judicial)
2	Hon'ble Mr. Justice (Retd.) Bansi Lal Bhat,	Member (Judicial)
3	Hon'ble Mr. Justice (Retd.) Venugopl M,	Member (Judicial)
4	Hon'ble Mr. Justice (Retd.) Jarat Kumar Jain,	Member (Judicial)
5	Hon'ble Mr. Balvinder Singh,	Member Technical
6	Hon'ble Mr. Shri Kanthi Narahari	Member Technical
7	Hon'ble Mr. Vijai Pratap Singh,	Member Technical
8	Hon'ble Dr. Ashok Kumar Mishra,	Member Technical

3.12.4 There is also one post of Registrar in this Tribunal, which is of the rank of Joint Secretary to the Government of India. At present, Shri Peeush Pandey, ADJ, UP Higher Judicial Service, is working as Registrar, NCLAT on deputation basis. NCLAT is functional at Pt. Deen Dayal Antyodaya Bhawan, 3rd Floor, CGO Complex, Lodi Road, New Delhi-110003.

3.12.5 NCLAT has received total 3,756 cases under different categories under (i) I&B Code, 2016, (ii) Companies Act, 2013, (iii) Competition Act, 2002, (iv) Compensation cases under Competition Act, 2002 and (v) MRTP Cases as on 31st October, 2019. 2,773 cases have been disposed of leaving a pendency of 983 cases as on 31st October, 2019.

Investigations and Prosecution by Serious Fraud Investigation Office (SFIO)

(A) Investigations

3.13.1 During the period from 1st December, 2018 to 30th November, 2019 SFIO has submitted 15 Investigation reports to the Ministry involving 377 companies.

(B) Prosecutions

3.13.2 During the period from 1st December, 2017 to 30th November, 2018 and from 1st December, 2018 to 12th November, 2019 number of prosecutions filed in various designated courts are as under:-

Table 3.3**Number of Prosecutions filed in Different Designated Courts**

Period	No of Prosecutions Filed			Total No of Prosecutions filed
	Company Law/IPC	ICAI/ ICSI	CLB/NCLT NCLA	
1 st December, 2017 to November, 2018	6	6	0	12
1 st December, 2018 to November, 2019	12	18	19	49

Cost Audit

3.14.1 During the period, Companies (Cost Records and Audit) Rules, 2014 were reviewed for rationalization and removal of ambiguity/bringing in more clarity in the Rules. Accordingly, the Companies (Cost Records and Audit) Amendment Rules, 2018 were notified vide Notification G.S.R. No.1157 (E) dated 3rd December, 2018.

3.14.2 The Companies (Cost Records and Audit) Rules, 2014 have also been amended for implementing changes in Formats etc. due to introduction of Goods and Service Tax (GST) and other technical modifications in Rules/e-Forms/Formats etc. Necessary amendments were notified vide Notification G.S.R. No.792 (E) dated the 15th October, 2019.

3.14.3 Companies (Filing of Documents and Forms in Extensible Business Reporting Language) Rules, 2015 were amended vide Notification G.S.R. 794 (E) dated 15th October, 2019 for effecting changes in costing taxonomy for the amendments.

3.14.4 In December, 2018, Cost Audit Branch published 'Annual Report on Costs & Prices 2016-17' based on Cost Audit Reports (CARs) filed in MCA21 system by specified class of companies. The report

identifies trends in elements of cost of various sectors covered under cost audit. The report has been circulated to the major stakeholders apart from placing the same on MCA website for wider dissemination. The report would provide useful inputs to policy makers, sector regulators, industry at large and other stakeholders to take informed decisions.

3.14.5 During the year 2018-19, MCA took on record 7,352 eForms relating to appointment of Cost Auditors [11 (eForm 23C) & 7,341 (eForm CRA-2)] and the number of such records during the year 2019-20 till 14th November, 2019 was 7,057 eForms [9 (eForm 23C) & 7,048 (eForm CRA-2)].

3.14.6 Further, the number of Cost Audit Reports taken on record during 2018-19 and 2019-20 till 14th November, 2019 stood at 6,526 eForms [(41 (eForm I-XBRL) & 6,485 (eForm CRA-4)] and 2,908 eForms [8 (eForm I-XBRL) & 2900 (eForm CRA-4)] respectively.

3.14.7 During the year 2018-19, Cost Audit Branch, MCA has shared 408 Cost Audit Reports, as filed by the companies, with various user departments like Serious Fraud Investigation Office, Ministry of Defence, Ministry of Housing & Urban

Development, Department of Pharmaceuticals, Tariff Commission, Directorate General of Trade Remedies, CGST Commissionerates etc. Further, 307 Cost Audit Reports were shared during the year 2019-20 till 14th November, 2019.

International Financial Reporting Standards

3.15.1 A notification was issued on 28th March, 2018 whereby the Companies (Indian Accounting Standards) Rules, 2015 has been amended to bring into force Ind AS 115 Revenue Recognition Standard from Contracts with Customers and replace Ind AS 11, Construction Contracts and Ind AS 18, Revenue. Further, the amendments to other standards; Ind AS 21, the Effects of Changes in Foreign Exchange Rates, Ind AS 112, Disclosure of Interests in Other Entities & Ind AS 28, Investments in Associates and Joint Ventures, Ind AS 40, Investment Property and Ind AS 12, Income Taxes were carried out as part of annual improvements made in the corresponding IFRS standards/consequential changes due to Ind AS 115. The Ind AS 115 standard is expected to improve the revenue recognition aspects as per the various clauses stated in the said standard. Indian Companies are expected to benefit from convergence with the single globally applied and comparable standards on a key parameter in financial statement i.e. revenue recognition.

3.15.2A notification was issued on 20th September, 2018 whereby the Companies (Indian Accounting Standards) Rules, 2015 has been amended to make changes in Ind AS 20, Accounting for Government Grants and Disclosure of Government Assistance by providing option to entity to present grants related to assets, either by;

(i) setting up grant as deferred income or

(ii) by deducting the grant in arriving at the carrying amount of the asset.

3.15.3 Companies (Indian Accounting Standards) Rules, 2015 have been amended on 30.03.2019, by inserting Ind AS 116, Leases which is corresponding to IFRS 16, Leases. This Ind AS 116 has replaced existing Ind AS 17 Leases and accordingly single Lease accounting model for lessee has been introduced by eliminating the classification of Leases as either operating leases or finance leases. (Notification No. G.S.R. 273(E) dated 30th March, 2019).

3.15.4 Companies (Indian Accounting Standards) Rules, 2015 have been amended on 30th March, 2019 in order to bring uniformity with the changes made in IFRS from time to time and as a part of convergence with IFRS and accordingly some existing Ind ASs (Ind AS-12, 19, 23, 28, 103, 109, 111 and consequent amendments in other Ind ASs) similar to IFRSs have been amended. (Notification No. G.S.R. 274(E) dated 30th March, 2019).

CHAPTER – IV

THE LIMITED LIABILITY PARTNERSHIP (LLP) ACT, 2008

4.1.1 In India, about 95% of industrial units are Small and Medium Enterprises (SMEs). As per the survey conducted by the Ministry of Micro, Small and Medium Enterprises (MSME), over 90% of these SMEs are registered as Proprietorships, about 2% to 3% as Partnerships and less than 2% as Companies. The corporate form does not appear to be widely prevalent amongst SMEs. Analysis of the data collected by the Ministry of MSME suggests that high compliance cost under the Companies Act, 1956 deterred the SMEs from adopting the corporate form. But, the functioning of a proprietorship or a partnership firm is too opaque, making assessment of credit-worthiness by bankers difficult and therefore the SME sector is at a comparative disadvantage vis-à-vis corporate bodies in accessing loan/credit facilities from banks and other financial institutions.

4.1.2 In this background, a need was felt for a new corporate form that would provide an alternative to the traditional partnership with unlimited personal liability. The statute-based governance structure of a limited liability company is an alternative that enables professional expertise and entrepreneurial initiative to combine, organize and operate in a flexible, innovative and efficient manner. Internationally, Limited Liability Partnerships (LLPs) are the preferred vehicle of business, particularly for the service industry or for activities involving professionals, especially in countries like

the United Kingdom, United States of America, Australia, Singapore etc.

4.1.3 The Government has, therefore, permitted the LLP form of business organization in India with a view to create a facilitating environment for entrepreneurs, service providers and professionals to meet the challenges of global competition. Parliament enacted the Limited Liability Partnership Act, 2008, which was notified on 9th January, 2009. It came into effect from 31st March, 2009. The enabling Rules were notified on 1st April, 2009 and the first LLP was registered on 2nd April, 2009.

4.1.4 LLP is a form of business entity, which allows individual partners to be protected from the joint and several liabilities of partners in a partnership firm. The liability of partners incurred in the normal course of business does not extend to the personal assets of the partners. It is capable of entering into contracts and holding property in its own name. An LLP would be able to fulfil the compliance norms with much greater ease, coupled with limitation of liability. The corporate structure of LLP and the statutory disclosure requirements would enable higher access to credit in the market. The introduction of LLP form of business is expected to promote entrepreneurship, particularly in relation to the knowledge based industries, such as the information technology and biotechnology sectors, and other service providers and professionals.

4.1.5 The functions of Registrar of LLPs are being exercised by the Registrar of Companies (RoCs), with effect from 11th June, 2012. Natural persons and Body Corporates, Indian or foreign, can be partners in an LLP. At least two of them have to be “Designated Partners”, of which at least one should be a resident of India. A Body Corporate can also be a designated partner, and in such a case, an individual authorized by the body corporate will function as the designated partner. An LLP enjoys the status of a Body Corporate and shall have a separate legal entity, distinct from that of its members, and have a perpetual succession. The LLP can continue to have its existence irrespective of changes in partners.

4.1.6 LLPs are required to maintain Book of Accounts, Annual Financial Statement and Statement of Solvency which are to be filed with the Registrar every year. An LLP can be wound up, either voluntarily, or by an order of National Company Law Tribunal (NCLT).

4.1.7 In order to infuse a culture of transparency, the documents/ information such as Incorporation document, Names of partners and changes, if any, made therein, Statement of Account and Solvency and Annual Return are open for inspection by any person on payment of prescribed fee. The Central Government has powers to investigate the affairs of an

LLP, if required, by appointing an Inspector.

4.1.8 A firm, private company or an unlisted public company is allowed to be converted into an LLP in accordance with the provisions of the Act. Provisions have also been made for corporate actions like mergers, amalgamations etc.

4.1.9 In order to enhance and extend operational convenience to stakeholders and grouping of all registry related functions on a single platform, e-governance initiative for Limited Liability Partnership (LLP) was integrated with MCA21 from 11th June, 2012. With this integration, the filing and approval of LLP forms is being done through MCA21 portal, stakeholders are presently availing of all existing facilities of MCA21 for LLP form filing, including online payment, or use of internet banking of designated banks, in addition to credit card payment.

4.1.10 LLP provides a business vehicle in the body corporate form, having a separate legal entity, liability of the partners limited to their agreed contribution.

4.1.11 As on 30th September, 2019, the number of LLPs registered in the country was 1,83,332 and of them 1,40,021 Limited Liability Partnerships were active. During the period from 1st December, 2018 to 30th September, 2019, LLPs numbering 33,141 were incorporated.

CHAPTER – V

THE COMPETITION ACT, 2002 AND OTHER LEGISLATIONS

The Competition Act, 2002 & Establishment of the Commission

5.1.1 The Parliament enacted the Competition Act, 2002 with the objectives

- (a) to prevent practices having adverse effect on competition;
- (b) to promote and sustain competition in markets;
- (c) to protect the interests of consumers; and
- (d) to ensure freedom of trade carried on by other participants in markets, in India, and for matters connected therewith or incidental thereto.

The Competition Act has four pillars, which reinforce one another:

- (i) Prohibits anti-competitive agreements like cartels, which restrict freedom of trade and cause consumer harm by way of limiting production and distribution of goods and services and fixing prices higher than normal;
- (ii) Prohibits abusive behaviour of a dominant firm, who through its position of dominance may restrict markets and sets unfair and discriminatory conditions;
- (iii) Regulates combination(s) of large corporations in order to safeguard competitive markets; and
- (iv) Mandates competition advocacy.

5.1.2 The Commission was established in

the year 2003 and got its enforcement and regulatory powers after the substantive provisions of the Act relating to anti-trust enforcement and regulation of combinations came into force on 20th May, 2009 and 1st June, 2011 respectively.

5.1.3 The Competition Commission of India (CCI) was constituted in March, 2009 for the administration, implementation and enforcement of the Act. The Competition Act, 2002 provides for setting up of the Competition Commission of India (CCI) comprising of a Chairperson and a minimum of two and maximum of six members. The Union Government in April, 2018 had decided that there would be three members in CCI. Thus, as per revised composition the Commission consist of one Chairperson and three members. The Act also provides for establishment of an Appellate Tribunal to hear and dispose of appeals against the orders of CCI and adjudicate upon the claims of compensation that may arise from the findings of the Commission. The work of Competition Appellate Tribunal (COMPAT), in pursuance of the amendment of the Competition Act, 2002 by the Finance Act, 2017, has been merged with National Company Law Appellate Tribunal (NCLAT). As such, the former tribunal has ceased to exist and now all first appeals against the orders of the Commission lie before the National Company Law Appellate Tribunal (NCLAT).

5.1.4. The Composition of CCI as on 30th

November, 2019 is as under:

1. Shri Ashok Kumar Gupta - Chairperson
2. Smt. Sangeeta Verma - Member
3. Shri Bhagwant Singh Bishnoi - Member

Cases dealt with by the Commission

5.2.1 The position with regard to cases dealt with by the Competition Commission of India during the period from 1st December, 2018 to 20th November, 2019 are elaborated as under:

A. Enforcement Activities:

5.2.2 The Commission has received forty three (43) cases u/s 19 (1) (a) of the Competition Act, 2002 from various informants during the period 1st December, 2018 to 20th November, 2019 in addition to four (04) Reference cases received u/s 19 (1) (b). The Commission has also initiated three (03) suo-motu cases u/s 19 (1) of the Act during this period. The Commission ordered investigation by DG in eleven (11) cases u/s 26 (1) of the Act. During the period, the Commission also decided 31 (31) cases at prima facie stage u/s 26 (2) of the Act, after considering all facts and evidences.

5.2.3 Cumulatively, between 20th March, 2009 to 20th November, 2019, One Thousand Forty Five (1,045) cases were received u/s 19 (1) of the Competition Act. The Commission has finally disposed of eight seventy seven (877) cases. A cumulative total of four hundred thirty two (432) cases were referred to DG, CCI for investigation. DG, CCI submitted investigation reports in respect of three hundred fifty five (355) cases. The investigation is underway in the remaining

cases.

5.2.4 During the period from 1st December 2018 to 20th November, 2019, the Commission has imposed penalty in 08 cases under Section 27 and 48 of Competition Act. Gross penalty amount is Rs.149.63 Crores.

B. Combination:

5.2.5 The provisions relating to Regulations of Combinations (Mergers and Acquisitions) in the Competition Act, 2002 were notified by the Government of India on 4th March, 2011 and became effective from 1st June, 2011. For executing the mandate given under the Competition Act, the CCI notified "The Competition Commission of India (Procedure in regard to the transaction of business relating to combinations) Regulations, 2011" (hereinafter known as 'Combination Regulation') on 11th May, 2011. These regulations have been amended since then vide notification(s) dated 23rd February, 2012, 4th April, 2013, 28th March, 2014, 1st July, 2015, 7th January, 2016 9th October, 2018, 13th August, 2019 and 30th October, 2019.

5.2.6 During the period 1st December, 2018 to 20th November, 2019, the Commission received Eighty Seven (87) notices under sub-section (2) of Section 6 [including notices received under sub-section (1) of Section 20] [Form- I & II filings] of the Act. The Commission disposed of/approved Eighty Eight (88) notices during the period.

5.2.7 In addition to the above, during the period 1st December, 2018 to 20th November, 2019, the Commission has received three (03) notices under sub-section (5) of Section 6 of the Act [Form-III

Filings].

5.2.8 Cumulatively, between 1st June, 2011 and 20th November, 2019, 718 Combination Notices [including 13 notices under Section 6(5)] have been filed u/s 5 & 6 of the Competition Act in the Commission. Out of these 707 [including 13 notices under Section 6(5)] notices have been finally disposed of by the Commission.

5.2.9 During the year, the Commission reviewed Combinations which impacted the consumers as well as the economy in both the sectors i.e. traditional such as Finance, Pharma, Healthcare, Metals, Retail as well as the new economic sectors such as Entertainment, Online Payment segment.

Green Channel

5.2.10 The CCI has introduced an automatic system for approval of Combinations by bringing “Regulations 5A to the Combination Regulations” vide the Competition Commission of India (Procedure in regard to the transaction of business relating to combinations) Amendment Regulations, 2019 dated 13th August, 2019. Under this process, the Combination is deemed to have been approved upon filing the notice in the prescribed format.

Other activities and events:

5.3.1 (i) Capacity Building Initiative: The CCI organized 2nd Refresher Course Training Programme during 18th-20th February, 2019 for its officers. A total of 17 professional officers participated in the same. Hon'ble Secretary, Ministry of Corporate Affairs delivered the keynote address. Further, a total of 55 officers had undergone trainings on various subjects/ topics organized by specialized training

institutions/ agencies within India. In addition to that, CCI conducted four short workshops (two in-house and two with the help of expert resource persons) and six Peer-to-Peer sessions whereby capacities of officers were built/ enhanced with the help of inter-division sharing of knowledge and information.

5.3.2 (ii) Moreover, CCI regularly invites distinguished speakers from various fields to address its employees. During the period, Sir William Mark Tully, Journalist, Writer and Former Chief-BBC Delhi; Dr. Rathin Roy, Director, National Institute of Public Finance and Policy (NIPFP); Dr. Ranbir Singh, Vice-Chancellor, National Law University Delhi (NLUD); Dr. M. S. Sahoo, Chairperson, Insolvency and Bankruptcy Board of India (IBBI) addressed the employees of CCI as part of the Distinguished Visitors Knowledge Sharing (DVKS) Series programme.

5.3.3 Special Lecture Series (SLS): For capacity building enhancement and knowledge upgradation of the professional officers of CCI, starting from April 2019, CCI initiated a new monthly guest lecture series under the tag name 'Special Lecture Series (SLS)'.

5.3.4 Comprehensive Amendments to the Competition Act, 2002: Based on the experience gained and difficulties faced in enforcement of the Competition Act, 2002, the Commission has proposed comprehensive amendments to the Act to Ministry of Corporate Affairs. The aim of the proposed amendments is to make the Act clarificatory as well as to resolve practical difficulties in implementing the law. This has resulted in constitution of Competition Law Review Committee (CLRC) by the Government during the year

2018-19 (01.10.2018) to review and suggest amendments to the Competition Act, 2002. Four Working Groups (WG) were constituted under the said Committee, namely (i) WG on Regulatory Structure; (ii) WG on Competition Law; (iii) WG on Competition Policy, Advocacy and Advisory Functions; and (iv) WG on New Age Markets & Big Data. CLRC was tasked with the responsibility to review and recommend a robust competition regime, by taking inputs of key stakeholders, and suggest changes in both the substantive and procedural aspects of the law. The report of CLRC has already been submitted to the Government in July 2019.

Conferences

5.3.5 National Conference on Economics of Competition Law: The Competition Commission of India has been organizing National Conference on Economics of Competition Law every year since 2016 with the aim of bringing together scholars, practitioners, academicians and experts working in the area of Economics of Competition Law. The fourth edition of the Conference was organised on March 1, 2019. Dr. Krishnamurthy Subramanian, Chief Economic Advisor, Government of India was the Keynote Speaker at the Conference.

5.3.6 The objectives of the Conference are (a) to stimulate research and debate on contemporary issues in the field of economics of competition law, (b) to develop a better understanding of competition issues relevant to the Indian context and (c) to draw inferences for enforcement of competition law in India among others.

5.3.7 In the 2019 edition, six papers were presented during two technical sessions

covering a wide range of issues concerning the economics of competition law. A special session on 'Contemporary Antitrust Issues' was organised wherein eminent persons presented their views and a Plenary on 'Digital Market: Antitrust and Beyond' was also held.

Sectoral Workshop on Auto Sector:

5.3.8 CCI in association with SIAM and ACMA organised a workshop on Competition issues in Automotive Sector at Delhi on 08th March, 2019. Shri Ashok Kumar Gupta, Chairperson, CCI, delivered the theme address. Mr Kenichi Ayukawa, Vice-President, SIAM and MD & CEO, Maruti Suzuki, Mr Vinod Aggarwal, MD & CEO, Volvo Eicher and Mr. Pravin L. Agarwal, Joint Secretary, Department of Heavy Industry, Ministry of Heavy Industries & Public Enterprise were among the participants.

Workshop on 'e-Commerce: Changing Competition Landscape in India'

5.3.9 The Competition Commission of India (CCI) organized a Workshop on 'e-Commerce: Changing Competition Landscape in India' on August 30, 2019 at New Delhi. The daylong workshop was conducted by CCI as a part of its Market Study on e-Commerce in India for better understanding the e-Commerce ecosystems in India, business practices of online platforms and other market participants that avail the platforms' intermediation services and their implications for competition. Dr. Rajiv Kumar, Vice Chairman, NITI Aayog, Government of India was the Keynote Speaker at the Conference.

5.3.10 The interim observations emanating from the e-Commerce Market

Study by CCI were presented in the Inaugural Session. The Inaugural Session was followed by enriching panel discussions dedicated to specific e-Commerce businesses, namely, online food delivery, online hotel booking and online retail shopping. The panels comprising senior officials from e-Commerce and online platforms, senior journalists covering e-Commerce sector, think tanks, representatives of related industry and trade associations, professionals from hospitality sector and distinguished bureaucrats, deliberated on the issues and challenges facing the e-Commerce sector and the need for ensuring and preserving competition both within the e-Commerce market place and in its interface with traditional markets.

Participation in International Events:

- CCI delegation led by Mr. Ashok Kumar Gupta Chairperson attended ICN Annual Conference 2019 in Cartagena, Colombia. CCI also joined the ICN Framework on Competition Agency Procedures.
- CCI delegation led by Mr. Ashok Kumar Gupta Chairperson participated in 6th BRICS International Competition Conference in Moscow, Russia.
- CCI participated in First OECD Competition Open Day Workshops in Paris. CCI officials also attended OECD Korea Policy Centre Competition Law Workshop on Competition Rules in the Transport Sector in Busan, South Korea;
- CCI officials attended 18th Session of Intergovernmental Group of Expert (IGE), UNCTAD meeting in Geneva.

CCI officials also participated in UNCTAD E-Commerce Week in Geneva.

- Under EU India Competition Cooperation Project, EU India Competition Week was organized at CCI premises in New Delhi, India.
- A Bilateral Meeting was held between delegation from FAS Russia led by Mr. Andrey Tsyganov, Deputy Head, FAS Russia and delegation from CCI led by Mr. Ashok Kumar Gupta, Chairperson, CCI at CCI premises in New Delhi.
- Mr. Ashok Kumar Gupta, Chairperson, CCI delivered opening remarks in the inaugural session of the Antitrust Global Seminar Series organized by American Bar Association at New Delhi.
- Mr. Ashok Kumar Gupta, Chairperson CCI participated in 19th International Conference on Competition by the Bundeskartellamt (German Competition Authority) in Berlin, Germany.
- Mr. U.C. Nahta, Member, CCI attended Annual International Bar Association Competition Mid-Year Conference in Tokyo, Japan.
- Mrs Sangeeta Verma, Member, CCI attended the Fordham Competition Law Institute's Heads of Authority Workshop & 46th Annual Conference on International Antitrust Law and Policy held at New York.

Advocacy activities:

5.4.1 In pursuance of the mandate under sub-section (3) Section 49 of the Competition Act, 2002, the Competition

Commission of India (CCI) organizes various advocacy programmes with important stakeholders in order create awareness and train them in matters related to competition issues. During the periods from 01.12.2018 to 30.10.2019 following advocacy activities were undertaken by the Commission:

5.4.1 (i) Road Shows on Competition Law: As a part of series of Road Show on competition law, CCI organised Third Road Show on 18th December, 2018 at Ahmedabad. Mr. Vijay Rupani, Chief Minister of Gujarat and Dr. J. N. Singh Chief Secretary, Government of Gujarat were the Chief Guest and Guest of Honour respectively.

5.4.1 (ii) In this series a Fourth Roadshow was organised on the 25th February, 2019 in the pearl City of Hyderabad by the Commission with a thematic focus on Public Procurement, Trade Associations, Cartels and Leniency. Shri E.S.L. Narasimhan, the Hon'ble Governor of Andhra Pradesh and Telangana and Shri Shailendra Kumar Joshi, Chief Secretary, Telangana were the Chief Guest and Guest of Honour respectively.

5.4.1.(iii) Diagnostic Toolkit for procurement officers: To create awareness among the Public Sector Undertakings/Enterprises and Govt. Departments involved in procurement, CCI prepared and published “Diagnostic Toolkit for procurement officers”.

5.4.1.(iv) Resource Person Scheme: The Scheme was launched by CCI in 2019 to augment and enhance advocacy efforts with States in India as per mandate of Section 49 of the Competition Act, 2002.

5.4.1(v) Advocacy programmes with

University/Educational Institutions: To invite proposals from all the Universities/Educational Institutions desirous to conduct competition law advocacy programmes by way of interactive sessions/ workshops/seminars.

5.4.1(vi) Competition law Module for Administrative and Judicial Academies: To sensitize the judicial and administrative officers, CCI prepared and published “Competition law Module for Administrative and Judicial Academies”.

5.4.1(vii) In addition to above, 102 Students from various universities, NLUs, and Management Institutions underwent internship in the Commission.

Ten Years of Competition Law Enforcement

5.5.1 The Competition Commission of India (CCI) celebrated completion of ten-years of competition law enforcement on 23rd August, 2019 at Dr. D.S. Kothari Auditorium, DRDO Bhawan, New Delhi.

5.5.2 The Chief Guest on this occasion, Hon'ble Union Finance & Corporate Affairs Minister Smt. Nirmala Sitharaman delivered the keynote address. She reflected on the challenges and responsibilities while stating that CCI will have to take on and gear itself for implementing 'Competition 2.0', in the years to come. The Hon'ble Minister also praised CCI for its green channel initiative for mergers and acquisitions. On this occasion, Smt. Nirmala Sitharaman also released two advocacy publications of CCI: (a) Diagnostic Toolkit for Public Procurement Officers; and (b) Competition Law Module for the Administrative and Judicial Training Academies.



Celebration of Ten years of Competition Law Enforcement by lighting of the lamp by Hon'ble CAM, Smt. Nirmala Sitharaman in presence of Hon'ble Minister of State for Finance and Corporate Affairs, Shri Anurag Singh Thakur, and Chairperson, CCI Shri Ashok Kumar Gupta at DRDO Bhawan, New Delhi on 23rd August, 2019.

5.5.3 Later, Hon'ble Minister of State for Finance and Corporate Affairs, Shri Anurag Singh Thakur, stated that competition is at the core of efficient markets. Speaking on the occasion, Shri Injeti Srinivas, Secretary, Ministry of Corporate Affairs, appreciated the crucial role played by CCI in ensuring fair competition in the liberalised regime. Shri Ashok Kumar Gupta, Chairperson, CCI stated that in the course of ten years, CCI has reviewed over 1,000 Antitrust cases, 670 Merger filings and have held around 720 advocacy events.

Presence on Social Media:

5.6.1 The Commission has presence on prominent social media platforms viz. Facebook, Twitter and LinkedIn.

5.6.2 New Initiatives:

- a. Green channel for Mergers and Acquisitions
- b. Diagnostic Toolkit for Public Procurement Officers

- c. Competition Law Module for the Administrative and Judicial Training Academies
- d. Special Lecture Series (SLS) for capacity building enhancement and knowledge upgradation of the professional officers of CCI
- e. Resource Person Scheme was launched by CCI in 2019 to augment and enhance advocacy efforts with States
- f. Advocacy programmes with University/educational Institutions
- g. A Memorandum of Understanding (MoU) has been entered with Government e-Marketplace (GeM) with the object to set-up an institutional mechanism for formal interaction between CCI and GeM to deal with anti-competitive practices in public procurement.

5.7.1 No Policy decisions and activities have been undertaken for the benefit of the Person with Disabilities during the period.

CHAPTER-VI

TOWARDS INTERACTIVE AND RESPONSIVE ADMINISTRATION

MCA21 e-Governance Project

6.1.1 MCA has been operating an end-to-end e-Governance project MCA21 for registry and company incorporation related services. The project is implemented in the offices of Registrar of Companies (RoCs), Regional Directorates (RDs), MCA Headquarters and O/o Official Liquidators (OL). The MCA21 system provides the stakeholders a convenient, easy to use and secure access & delivery point for all MCA services with improved speed and certainty of service sought. It has brought about transparency, quickness and efficiency in the functioning of the Ministry.

6.1.2 There is a need for providing effective services to stakeholders and Ministry has continuously made efforts to introduce best practices in the delivery of online services. Sustained efforts have resulted in recognition of MCA21 as a successful Mission Mode Project under the National e- Governance Plan (NeGP). The portal is regarded as an ideal model for transformation of traditional paper based systems into a paperless system through the use of cutting-edge Information Technology. Consequently, hardware and application up- gradation with updated technology has already been completed at all offices of RoC, RD and at Headquarters, consequent to the enactment of the Companies Act 2013.

6.1.3 To provide for faster and transparent processes, the MCA took the following major initiatives towards Ease of Doing Business and Standardization:

- i. Re-engineering the process of allotment of DIN:** Re-engineering the process of allotment of DIN by allotting it through the combined SPICe form only at the time of an individual's appointment as Director (in case he/she doesn't have a DIN).
- ii. Exemption of MCA fee for company incorporation:** A Government process of Re-engineering has been implemented where there is zero fee for incorporation of all companies with authorized capital upto Rs.10 lakh or those companies with no share capital but having upto 20 members.
- iii. Deployment of e-forms** due to IFSC & exemption notifications, amendment to Companies Act, CRL-1, implementation of Condonation of Delay Scheme (CODS): 16 e-form changes were deployed on account of IFSC notification related changes, Exemption notification related changes, and Companies Act amendment along with deployment of CRL-01 (information to the Registrar by company regarding the number of layers of subsidiaries) and CODS 2018 in Feb-Mar '2018.
- iv. eKYC drive for Directors of all companies:** MCA has introduced a mandatory eform viz. DIR-3 KYC for all DIN holders who have been allotted DIN on or before 31st March, 2018 and whose DIN is in approved status. This drive is aimed at verification of individual DIN holders and weed out non-existent/dummy DIN holders and

ultimately to clean up the Directors' e-Registry. The KYC process is obtaining additional details such as AADHAAR, Passport, personal Mobile Number and personal E-mail ID. Further, for stakeholders who do not possess AADHAAR, an exception management is provided. There are around 33 Lakh DINs in the registry and around 15.88 Lakh DIN holders have filed DIR KYC as on 30th November, 2018. In this drive, MCA managed to feed 11 lakh Aadhar card holders. This is one of its kinds of drive carried out anywhere in India.

- v. **Integrated form for LLP (FiLLiP) incorporation:** Introduction of a new integrated Form christened FiLLiP (Form for incorporation of Limited Liability Partnership) replacing the erstwhile Form 2 (Incorporation document and subscriber's statement) combining therein 3 services of name reservation, allotment of Designated Partner Identification Number (DPIN/DIN) & incorporation of the LLP.

- vi. **Setting up Central Registration Centre (CRC) for “name reservation” and “incorporation” for LLPs:** CRC for “Name Reservation” and “Incorporation” of Companies has been successfully implemented. As operation of CRC has been stabilized, since past two years, Ministry has taken up similar GPR exercise for “Name Reservation and “Incorporation” for LLPs (Limited Liability Partnership) and brought under the operation of CRC. The Government Process Re-engineering (GPR) exercise is in pursuance of the Ministry's objective of providing greater “Ease of Doing Business” to all stakeholders and has resulted in speedier processing of incorporation related applications, uniformity in application of rules and eradicating discretion.

6.1.4 Following operational statistics brings out the stability in the system, increased volume of filing and improved compliance:

1 st December 2018 – 11 th November, 2019		
1.	Total filings through system	85,35,754
2.	Maximum number of documents filed on a day	1,31,062 (31st Dec.2018)
3.	Number of companies registered online	1,18,535
4.	Total DIN issued	3,15,036
5.	Company records viewed online	27,45,635
6.	Number of balance sheets filed	8,70,128
7.	Number of annual returns filed	8,05,047
8.	Amount of E-stamp fee collected (in Rs)	16,737,86,330
9.	Number Nodal Officers registered with DSC	101
10.	Numbers of authorized bankers & professional registered with DSC	33,992
11.	Number of registered users on the portal	14,58,033

6.1.5 Efficiency in Service Delivery under MCA21: There is a significant improvement in the turnaround time for delivery of services in MCA21 project which is brought out from the following table:

Service Metrics

Type of Service	Prior to	After MCA21	After CRC
Name Approval	7 days	1-2 days	0.3 days
Company Incorporation	15 days	1-3 days	0.6 days
Change of Name	15 days	3 days	3 days
Charge Creation/Modification	10-15	Instantaneous	Instantaneous
Certified Copy	10 days	2 days	2 days

Registration of Other Documents

Type of Service	Prior to MCA21	After MCA21
Annual Return	60 days	Instantaneous
Balance-sheet	60 days	Instantaneous
Change in Directors	60 days	Instantaneous
Change in Regd. Office Address	60 days	1-3 days
Increase in Authorized Capital	60 days	1-3 days
Inspection of Public Documents	Physical appearance	On-line

Activities of Investor Education and Protection Fund Authority

6.2.1 The Authority has been entrusted with the responsibility to make refunds of unclaimed dividends, matured deposits, matured debentures etc. and to conduct investor awareness programs through print and electronic media.

6.2.2 Refund Activities: For the purpose of facilitating refund of claims in respect of shares, unclaimed dividends, debentures etc., the Central Government has on 5th September, 2016 notified Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016. For effecting transfer of shares to the Authority, two DEMAT

Accounts, one for each of the depositories have been opened.

6.2.3 Credit into the Fund: As on 31st March, 2019, Rs. 2423 crore have been transferred to the IEPF which is maintained as a part of consolidated fund of India. During the period 1.04.2019 - 30.11.2019, Rs. 1767.05 crore have been deposited to IEPF. For effecting transfer of shares to the Authority two Dematerialised (DEMAT) Accounts, one with each of depositories National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL) have been opened. The due date of transfer of shares by companies was 31.10.2017. 75,30,99,795 number of shares

have been transferred to IEPF till 30.11.2019 by the companies.

6.2.4 Refund of claims: For filing refund with the Authority the investors make an online application on the website of the Authority (www.iepf.gov.in). A total refund of 43,70,690 number of shares as on 30.11.2019 (with a current market valuation of about Rs.233 Crore) has been made by the Authority. During the current year, 4250 claims have been settled (3829 approvals and 421 rejections) as on 30.11.2019. Total claims of 6220 (4980 approvals and 1240 rejections) have been settled since 7.9.2016 till 30.11.2019.

Steps taken to ease the claim procedure:

Process re-engineering

6.2.5 In order to simplify and develop an end to end online claim and refund process and other changes in various e-forms, the IEPF (Accounting, Audit, Transfer and Refund) Second Amendment Rules, 2019 have been amended vide notification dated 14.8.2019. The following modifications have been made effective from 20.9.2019:-

6.2.6 Introduction of new simplified e-form:

- i. A new simplified web based e-form IEPF-5 having features of PAN based verification.
- ii. The processing of e-form IEPF 5 by the companies and submission of verification reports to the Authority has been made online.
- iii. The practice of collection of physical share certificates from the claimants has been discontinued and only scanned copy of cancelled certificates has to be

attached by the companies along with the online verification report.

Investor Grievance Redressal

6.2.7 In order to expedite the process in addressing the queries of claimants and to facilitate the investors with smooth flow of information, a Help Line has been launched on 20th November, 2019 will facilitate callers in tracking the status of their claims refund. Citizens can also report a suspicious claim of promoter/investment scheme on Help Line as also the newly revamped IEPF portal at www.iepfportal.in, which is user-friendly interface for various stakeholder for gaining information about the initiatives taken by the Government in addressing the investor protection related issues.

6.2.8 An email id iepf@mca.gov.in has been provided for claimants to reach out to the Authority and the grievances emails are being replied regularly. A detailed FAQ has been prepared and made available to assist the claimants in making the online application and the documents that are required to be submitted alongwith the application. Further, a detailed instruction kit has been provided alongwith the e-form for making claim application. For timely settlement of the claims and in order to expedite verification report from companies, notices are being issued regularly to the companies. Rules have been modified to introduce additional fee on Companies for non-submission of e-verification report within stipulated timeline of 30 days.

6.2.9 Enforcement Action by the Authority: The Central Government has under the provisions of sub-section 4 of 206 of the Companies Act, 2013 has appointed

the officers of the IEPF Authority as Inspectors for the purpose of carrying out an inquiry under the Companies Act, 2013 for compliance of Section 124 and 125 of the Act relating to transfer of amounts/shares to the Authority. Based on an examination of data obtained from MCA-21 system, it was observed that there are variations in the data in the various statements filed by the companies. Further, it was also observed that some companies have not filed mandatory e-Forms.

The Authority has accordingly called for information from such companies with paid up capital of more than Rs. 20 Cr. A reference was received from Reserve Bank of India about non-depositing of matured unclaimed deposits amounts by a company which were liable to be transferred by the Company to IEPF. The matter was taken up by the Authority with the Company and its Auditors as part of the ongoing enforcement action and an amount of Rs. 1514 Crores have been deposited by the company.

Steps taken towards Investor Education, Awareness and Protection:

Investor Awareness Programmes:

6.2.10 Investor Awareness Programs through Common Service Centres and Professional Institutes: The Authority has collaborated with various organisations for the purpose of Investor Education and Awareness thereby propagating financial literacy among the masses.

6.2.10.(i) The Authority has entered into a MoU with CSC e-Governance Services India Ltd., Ministry of Electronics, and Information Technology (MeitY) to organize Investor Awareness Programmes (IAPs) in rural areas of the country through Common Service Centres (CSCs). During the programmes a film about the benefits of saving and to sensitize about various investor frauds is shown. The programme covers very basic topics like importance of preparing a household budget, importance of saving, investment, do's and don'ts of investing and Ponzi schemes.

A special booklet titled "GRAMEEN NIVESHKO KE LIVE VIVRAN PUSTIKA" on investor awareness is distributed during these programmes. In urban and semi-urban areas the IAPs are conducted through Professional Institutes (PIs). A statement of IAPs conducted till on 31st October, 2019 is as under:

Year wise detail of Investor Education Programmes (IAPs) conducted till 31st October, 2019

Year	Professional Institutes (PIs)	CSC e-Governance	Total
2016-17	1,096	1,075	2,171
2017-18	357	5,519	5,876
2018-19	796	26,843	27,639
2019-20 (till 31.10.2019)	101	11,624	11,725
Total	2,350	45,061	47,411

6.2.10. (ii) Investor Awareness programme in 117 Aspirational Districts: During the current and next financial year 15,000 IAPs will be conducted in 117 Aspirational Districts through CSCs.

6.2.10. (iii) Collaboration with Dept. of Telecommunication: The Authority has collaborated with Department of Telecom for spreading awareness amongst the retired/retiring employees of the Department of Telecom and its PSUs with conduct of customized Investor Awareness sessions from time to time.

6.2.10. (iv) Research Chair at Indian Institute of Corporate Affairs: A In order to develop a stronger foundation for Investor education and protection in the country, a Memorandum of Understanding has been signed with Indian Institute of Corporate Affairs (IICA) on 7th August, 2019 for establishing a Research Chair on IEPF in the Institute to carry out research on contemporary investor related issues of IEPF. The MoU (Memorandum of Understanding) has been signed with IICA on 7th August, 2019 with the IICA for formalising the terms of references envisaged in the IEPF Research Chair established at IICA under which IICA will carry out research on contemporary issues.

6.2.10. (v) Signing of Memorandum of Understanding with Nehru Yuva Kendra Sangathan for Investor Awareness Programme: A Memorandum of understanding between Investor Education and Protection Authority (IEPFA) and Nehru Yuva Kendra Sangathan (NYKS) has been signed on 16th October 2019. The Memorandum of Understanding (MoU)

envisages to synergize Institutional Capabilities and resources of both the organizations for achieving the outcome of Investor Education and Awareness. As a part of MoU, Customized Investor Awareness Program shall be conducted for officials of NYKS and Youth Volunteers. The Youth Volunteers will spread the message of Investor Awareness to the last mile with the help of Youth clubs and grass root workers of NYKS. The Authority shall provide Investor Education and Communication (IEC) materials and Resource Persons for the Programs and shall also sponsor the logistical support through NYKS. The MoU targets to use the outreach and network of Youth Clubs for spreading the messaging of Investor Education and Awareness. It has been mutually decided to conduct the Customised IAP for NYK volunteers in 100 Districts.

6.2.10. (vi) Collaboration with Bank of Baroda: IEPF Authority has entered into an MOU (Memorandum of Understanding) with Bank of Baroda for spreading Investor Awareness & Education by Co-branding on various collaterals. The convergence exercise is aimed at forming more of a strategic partnership for a noble social cause, which is, to help people to refrain from falling prey to fraudulent schemes. Under the MoU, IEPFA shall provide Bank with the Co-branded collaterals for Customer education and Bank shall utilize the available marketing channels for promotion viz., Placement of IEPFA posters on Investor Awareness and Protection at all Bank Branches, placement of Digital banners of IEPFA in Bank's ATM/ Kiosks/ Access Points, Collaboration & promotion on digital

platforms and Social Media accounts, Showcasing of IEPFA short films/videos on Bank's Digital platforms for customer awareness and Fraud prevention apart from printing Key IEPFA messages on customer protection through Bank collaterals like Passbook Folder, Statement of Accounts, various promotional leaflets etc including welcome kits to new customers.

Under the project, which is linked to a larger social cause of inculcating good practices amongst citizens, the Bank shall carry out the execution from its own funds and utilizing its existing / available marketing - traditional channels (Branches, ATMs, Kiosks, Passbooks, promotional materials etc) and online channels (Digital Signage Screens, ATM Screens, Social Media Channels, other digital mediums).

6.2.10. (vii) Joint Campaign for Investor Awareness: The Authority had also launched a joint campaign of Investor awareness in association with RBI, SEBI and Department of Consumer Affairs. In this joint campaign co-brand and jingles on investor awareness were aired on FM Radio Channels.

6.2.10. (viii) Airing of jingles on Radio, Scroll messages on TV: Multilingual Jingles have been developed in IEPF Authority for investor awareness, messages to companies for ensuring compliances, prevention of investor frauds etc. which are broadcasted through public and private FM channels from time to time. Investor Awareness messages through scroll messages are being aired on Doordarshan are released from time to time.

6.2.10. (ix) Empanelment of Resource Persons and Development of IEC Materials: IICA has empanelled more than 300 Resource Persons on behalf of IEPF Authority for providing Investor Awareness at various location in the country. A Training of Trainers (ToT) for the newly empanelled Resource persons across the country is being conducted by IICA. New modules on investor education suiting the requirements of various stakeholders through upcoming channels have been developed through Indian Institute of Corporate Affairs (IICA).

6.2.10. (x) Digital Solutions: Investor Awareness content through various Social Media and Digital Platforms. A **portal namely** has been developed for increasing the outreach of IAPs. The portal provides access to the partner institutions like ICAI, ICSI, ICoAI & IICA and CSC e-Governance for uploading the details of past and future programmes. The portal serves as a data base for the resource persons and also act as repository for all the activities of the IEPF Authority etc. This portal acts as a platform for citizen engagement and information dissemination.

Corporate Social Responsibility (CSR)

6.3.1 Corporate Social Responsibility (CSR) for companies has been mandated through legislation in India. Section 135 of Companies Act, 2013 (Act) contains provisions on CSR, Schedule VII of the Act enumerates activities that can be undertaken as CSR, and, Companies (Corporate Social Responsibility Policy) Rules, 2014 (Rules) prescribe the manner in which companies may comply with CSR provision of the Act. The Act and Rules

were notified on 27th February, 2014 and came into force from 1st April, 2014. Schedule VII has since been amended to include more activities under CSR.

6.3.2 Under Section 135 of the Act, every company, including a foreign company, registered under the Act crossing certain thresholds in the preceding financial year, i.e., (i) Net worth of Rs. 500 Crore or more, or (ii) are mandated to undertake CSR activities. At least two per cent of the average net profits of the company made during the three immediately preceding financial years are to be spent on CSR activities. Every such company is to constitute a CSR Committee having at least three Directors, including a minimum of one Independent Director. The CSR Committee is to formulate and recommend a CSR Policy containing the activities to be undertaken by the company along with allocation of funds across these activities. The Committee is also responsible for monitoring and implementation of CSR policy from time to time.

6.3.3. The companies liable to spend on CSR are statutorily required to disclose their CSR policy, including the activities to be undertaken and the amount to be spent in their Board Report. Reasons for shortfall in CSR spending, if any, are required to be mandatorily disclosed in the Board Report as stipulated in section 134 (3) (o) of the Act.

Monitoring Mechanism for Non-compliance of provision of CSR:

6.3.4 The Act confers the responsibility of monitoring the implementation of a Company's CSR policy on the Board of a company. As per Rule 5(2) of Companies (CSR Policy) Rules, 2014, the CSR

Committee shall institute a transparent monitoring mechanism for implementation of CSR projects or programs undertaken by the company.

6.3.5 The Board shall ensure that the activities, as included in CSR Policy of the company, are undertaken by the company and that the company spends, in every financial year, at least two percent of the average net profits of the company made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy. The Board shall specify, in its report, the reasons for not spending the stipulated CSR amount, if any.

6.3.6 The Ministry monitors compliance of CSR provisions by companies through examination of mandatory disclosures made by them in their Board Report under provisions of Section 135 r/w Section 134 (3) (o) of Companies Act, 2013.

High Level Committee on Corporate Social Responsibility, 2018 (HLC-2018)

6.3.7 A high level committee on CSR (HLC-2018) was constituted on 22nd November, 2018 under the Chairmanship of Secretary, Ministry of Corporate Affairs to review the entire CSR framework and formulate a roadmap for a coherent policy on CSR. The committee was set up with eminent persons from the government, public sector enterprises, private sector, civil society, and academia who looked at the subject matter in a holistic manner, discussed emerging global debates over social development, and steered the deliberations to arrive at dynamic conclusions. The committee submitted its report to the Government on 13th August,

2019. The report is available on the Ministry's website at www.mca.gov.in. A summary of recommendations of the HLC-2018 are as follows:

- Applicability of CSR provisions be extended to Limited Liability Partnership (LLP).
- The obligation of CSR provision for newly incorporated companies shall lie only after they have been in existence for three years.
- Companies having prescribed CSR amount below Rs. 50 Lakhs be exempt from forming a separate CSR Committee.
- Unspent CSR amount of particular year be transferred to a separate designated account created for that purpose. Such unspent amount and interest earned on it be spent within 3 to 5 years on CSR activities failing which the amount be transferred to a fund specified by Central Government which may be used for innovative, high impact CSR projects.
- Companies be encouraged to forge partnerships whenever CSR funds are used for creation of capital asset and the ownership of such asset shall rest with public.
- CSR activities be undertaken by balancing local area preference with national priorities.
- Schedule VII of the Act be aligned with UN Sustainable Development Goals and some other important items to develop an SDG+ framework. The Central Government may identify a few areas from Schedule VII as priority

areas and issue directions in this regard.

- Contribution to Central Government funds as specified in Schedule VII be discontinued.
- Companies having prescribed CSR amount of Rs. 5 crores or more in three immediately preceding financial years, undertake need and impact assessment studies.
- CSR may be bought within the purview of statutory financial audit.
- Implementing agencies to be registered with MCA to undertake CSR activities.
- All activities listed under Schedule VII to enjoy uniform tax benefit.
- Applicability of Business Responsibility Reporting (SEBI BRR) be extended to top 1000 Companies.
- National Foundation for Corporate Social Responsibility (NFCSR) to function as a think tank for CSR and undertake advocacy for individual social responsibility.
- MCA to partner with Department of Public Enterprises to develop comprehensive guidelines for Central Public Sector Undertaking for effective implementation of CSR.
- Annual CSR survey be prepared by MCA.

The National Corporate Social Responsibility Awards

6.3.8 The National Corporate Social Responsibility Awards (NCSRA) have been instituted as an official recognition at the highest level for outstanding contribution

made by companies through their Corporate Social Responsibility (CSR) activities. The Awards shall be conferred annually to recognize outstanding work undertaken by companies as CSR.

6.3.9 The main objective behind establishing these awards is to encourage companies to partner in national development and bring in new ideas, innovations and business efficiencies to contribute to the society. The selection of awardees is a rigorous process involving scrutiny of nominations received for field verification by select institutions. A Grand Jury constituted for this purpose selects

winners and honorable mentions across the three categories: Category I - CSR spend (with 3 sub-categories); Category II – CSR in challenging circumstances; and Category-III – contribution to national priorities.

6.3.10 MCA organized the First National CSR Awards on 29th October, 2019 in Vigyan Bhawan, New Delhi. The President of India, Shri. Ram Nath Kovind, Minister for Corporate Affairs, Smt. Nirmala Sitharaman, and Minister of State for Corporate Affairs, Shri. Anurag Singh Thakur gave away the awards.



President of India, Shri Ram Nath Kovind; Union Minister for Finance and Corporate Affairs, Smt. Nirmala Sitharaman; Minister of State for Finance and Corporate Affairs, Shri Anurag Singh Thakur; Secretary, Corporate Affairs, Shri Injeti Srinivas; and DG&CEO, IICA, Dr Sameer Sharma besides industry leaders

Amendments w.r.t provisions of CSR in the Companies (Amendment) Act, 2019.

6.3.11 The Companies (Amendment) Act, 2019 amended section 135 of companies Act, 2013 as under:

S. No.	Section 135 of Companies Act, 2013	Amendments in Companies (Amendment) Act, 2019
1	In sub-section (5) after the words “three immediately preceding financial years”	Following words shall be inserted “or where the company has not completed the period of three financial years since its incorporation, during such immediately preceding financial years”
2	In the second proviso to subsection (5), after the words, “reasons for not spending the amount”	Following words shall be inserted “and, unless the unspent amount relates to any ongoing project referred to in sub-section (6), transfer such unspent amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year”
3	After subsection (5)	Following subsections shall be inserted:- (6) Any amount remaining unspent under sub-section (5), pursuant to any ongoing project, fulfilling such conditions as may be prescribed, undertaken by a company in pursuance of its Corporate Social Responsibility Policy, shall be transferred by the company within a period of thirty days from the end of the financial year to a special account to be opened by the company in that behalf for that financial year in any scheduled bank to be called the Unspent Corporate Social Responsibility Account, and such amount shall be spent by the company in pursuance of its obligation towards the Corporate Social Responsibility Policy within a period of three financial years from the date of such transfer, failing which, the company shall transfer the same to a Fund specified in Schedule VII, within a period of thirty days from the date of completion of the third financial year.

S. No.	Section 135 of Companies Act, 2013	Amendments in Companies (Amendment) Act, 2019
		<p>(7) If a company contravenes the provisions of sub-section (5) or sub-section (6), the company shall be punishable with fine which shall not be less than fifty thousand rupees but which may extend to twenty-five lakh rupees and every officer of such company who is in default shall be punishable with imprisonment for a term which may extend to three years or with fine which shall not be less than fifty thousand rupees but which may extend to five lakh rupees, or with both.</p> <p>(8) The Central Government may give such general or special directions to a company or class of companies as it considers necessary to ensure compliance of provisions of this section and such company or class of companies shall comply with such directions.</p>

The aforesaid provisions are yet to be notified except for the penal provision.

Amendments to Schedule VII

6.3.12 An indicative list of activities that can be undertaken by a company under CSR has been specified in Schedule VII of the Act. The Schedule has since been amended five times. The fourth and fifth amendments were carried out this year. Details of the Amendments are given below:

- (a) **Fourth amendment** was notified on 30th May 2019, which inserted “disaster management, including relief, rehabilitation and reconstruction activities” as item (xii) of the Schedule.
- (b) **Fifth amendment** notified on 11th October, 2019 along with corrigendum dated 19th November, 2019. It substituted item (ix) and the entries relating thereto, with the following item and entries, namely:-

“(ix) Contribution to incubators funded by Central Government or State Government or any agency or Public Sector Undertaking of Central Government or State Government, and contributions to public funded Universities, Indian Institute of Technology (IITs), National Laboratories and Autonomous Bodies (established under the auspices of Indian Council of Agricultural Research (ICAR), Indian Council of Medical Research (ICMR), Council of Scientific and Industrial Research (CSIR), Department of Atomic Energy (DAE), Defence Research and Development Organisation (DRDO), Department of Biotechnology (DBT), Department of Science and Technology (DST), Ministry of Electronics and Information Technology) engaged in conducting

research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs).

up to 30.06.2019 in the MCA21 registry, details of the CSR amount spent by companies for financial years 2014-15, 2015-16, 2016-17 and 2017-18 are given in the **Table No.6.3** below:

Summary Details of CSR Expenditure

6.3.13 As per filings made by companies

Table No.6.3

CSR expenditure for the Financial Years 2014 15 to 2017 18

Nature Of Company	FY 2014-15		FY 2015-16		FY 2016-17		FY 2017-18	
	No. of Companies	Total Amount Spent (in Cr.)	No. of Companies	Total Amount Spent (in Cr.)	No. of Companies	Total Amount Spent (in Cr.)	No. of Companies	Total Amount Spent (in Cr.)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
PSU	493	2,816.82	532	4,214.67	546	3,295.98	527	2,553.36
NON PSU	16,055	7,249.11	17,758	10,302.52	18,993	11,033.55	20,870	11,067.15
Total	16,548	10,065.93	18,290	14,517.19	19,539	14,329.53	21,397	13,620.51

* Number of companies in the Table include companies which are eligible for CSR.

6.3.14 States/UTs-wise CSR amount spent and development sector-wise CSR amount

spent by companies is at **Table No. 6.4** and **Table No.6.5** below:-

Table No. 6.4

State/UT-wise CSR expenditure (Data upto 30.06.2019)

State/UTs	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
Andaman And Nicobar	0.29	0.55	0.83	0.76
Andhra Pradesh	414.28	1,294.28	753.53	269.11
Arunachal Pradesh	11.05	1.48	24.05	11.94
Assam	134.78	164.60	269.92	86.23
Bihar	36.69	124.62	100.77	42.17
Chandigarh	1.77	5.34	21.99	20.51
Chhattisgarh	161.30	241.16	84.94	71.61
Dadra And Nagar Haveli	4.41	12.03	7.58	6.93
Daman And Diu	20.05	2.43	2.63	20.09
Delhi	237.44	493.34	520.66	540.79
Goa	27.11	30.15	37.89	53.34
Gujarat	313.45	551.43	870.84	768.96
Haryana	187.41	375.62	389.60	262.02

Himachal Pradesh	10.95	52.29	24.03	60.53
Jammu And Kashmir	43.71	107.81	42.74	14.75
Jharkhand	79.56	117.04	95.69	45.88
Karnataka	403.47	784.66	886.36	950.92
Kerala	68.23	148.12	135.47	158.06
Lakshadweep	-	0.30	-	2.07
Madhya Pradesh	141.88	185.51	286.60	147.43
Maharashtra	1,445.92	2,052.23	2,487.94	2,527.04
Manipur	2.44	6.28	12.35	4.03
Meghalaya	3.53	5.59	10.97	5.49
Mizoram	1.03	1.07	0.08	0.23
Nagaland	1.11	0.96	0.92	0.36
NEC/ Not mentioned	26.94	-	7.63	132.04
Odisha	252.18	624.05	316.71	469.34
PAN India	4,614.89	4,741.95	4,988.17	5,009.16
Puducherry	2.02	6.46	7.43	6.51
Punjab	55.61	69.93	75.83	88.51
Rajasthan	299.76	501.45	327.15	263.33
Sikkim	1.19	1.98	6.83	6.84
Tamil Nadu	539.64	633.24	550.94	619.42
Telangana	101.96	265.40	259.88	291.14
Tripura	1.33	1.47	1.25	1.83
Uttar Pradesh	148.90	423.79	327.48	298.40
Uttarakhand	74.79	73.17	101.52	82.51
West Bengal	194.86	415.42	290.34	280.25
Grand Total	10,065.93	14,517.19	14,329.53	13,620.51

* Figures for FY 2017-18 may improve in due course as more filings are made

Table No.6.5

Development sector-wise CSR expenditure (Data upto 30th June, 2019)

Development Sector	Financial Year 2014-15	Financial Year 2015-16	Financial Year 2016-17	Financial Year 2017-18
Agro Forestry	18.12	57.85	43.45	12.18
Animal Welfare	17.29	66.67	78.65	59.48
Armed Forces, Veterans, War Widows/ Dependents	4.76	11.14	37.86	27.72
Art And Culture	117.37	119.17	305.57	283.81
Clean Ganga Fund	5.47	32.82	24.37	4.44
Conservation Of Natural Resources	44.60	49.85	119.09	212.74
Education	2,589.42	4,057.45	4,500.82	4,594.64

Environmental Sustainability	773.99	796.69	1,076.46	1,076.42
Gender Equality	55.21	73.85	72.60	20.48
Health Care	1,847.74	2,569.43	2,484.05	2,192.16
Livelihood Enhancement Projects	280.17	393.38	515.47	658.18
NEC/ Not Mentioned	1,338.40	1,051.16	388.96	0.76
Other Central Government Funds	277.10	334.35	419.99	255.40
Poverty, Eradicating Hunger, Malnutrition	274.70	1,252.08	606.55	635.93
Prime Minister's National Relief Fund	228.18	218.04	158.80	158.20
Rural Development Projects	1,059.35	1,376.16	1,554.78	1,477.29
Safe Drinking Water	103.95	180.16	147.76	180.16
Sanitation	299.54	631.80	421.71	291.69
Senior Citizens Welfare	8.94	21.87	26.91	32.94
Setting Up Homes And Hostels For	8.74	29.28	61.97	67.73
Setting Up Orphanage	5.12	16.90	16.80	36.86
Slum Area Development	101.14	14.10	51.49	35.11
Socio-Economic Inequalities	39.04	77.97	148.01	134.70
Special Education	41.43	125.84	164.83	122.56
Swachh Bharat Kosh	113.86	325.52	184.06	213.79
Technology Incubators	4.74	26.34	23.09	15.54
Training To Promote Sports	57.62	140.12	180.33	227.50
Vocational Skills	277.07	344.39	373.46	391.73
Women Empowerment	72.87	122.79	141.62	200.37
Grand Total	10,065.93	14,517.19	14,329.53	13,620.51

Corporate Data Management (CDM)

6.4.1 Corporate Data Management (CDM) is a Central Sector Plan Scheme initiated by the Ministry in the Financial Year 2015-16. It envisages to create an in-house data mining and analytics facility with the objective of disseminating corporate sector data in a structured manner. It provides a forward linkage to MCA21 data repository by fetching data in a transactional system into a data warehouse system. The objectives of CDM include: (a) disseminating shareable information, in unit-level format and tabular forms; (b) sharing of customized information for policy making and

regulatory processes of MCA as well as other government departments, regulatory bodies, enforcement agencies; and (c) enhancing and institutionalizing Ministry's in-house capabilities for corporate Data Mining and Information Management to support decision making.

6.4.2 This project is contemplated to generate various statistical reports such as time series data, cross section data, panel data etc. on Indian Corporate Sector Performance. In addition, this project has been expanded to facilitate monitoring of compliance and regulation by the Ministry.

6.4.3 The annual statutory filings (in electronic mode) of companies since the year 2006-07 up to 31st March, 2019 have been loaded in the CDM warehouse database.

R&A Division

6.5.1 R&A Division is responsible for administrating the “Funding of Research and Studies, Workshops and Conferences, etc.” component under the Corporate Data Management (CDM) scheme. The details of this component of CDM Scheme are available on the MCA's website (www.mca.gov.in). Some of the topics on which research proposal were invited for the year 2019-20 are:-

- a) Performance of One Person Companies (OPC);
- b) Effectiveness of important provisions of Companies Act, 2013 such as companies incorporated under Section 8 of the Act (Section 25 of Companies Act, 1956) for Charitable Objects;
- c) Effectiveness of Investor protection and Investor Education;
- d) Performance of Corporates (across states, sector and size etc.);
- e) Effectiveness of Competition Law and practice;
- f) Corporate Debt structure and leveraging;
- g) Analysis of utilization of funds mobilized by Corporates through IPOs etc.;
- h) Ease of Doing Business: Sub-indices within the ease of doing business index which directly pertains to corporate sector i.e. (i) Starting a business, (ii)

protecting minority investors and (iii) insolvency resolution;

- i) Issues relating to emergence of Producer Companies in India.

6.5.2 All such research proposals are considered by the Technical Committee under the Chairmanship of Economic Adviser which deliberates on them and recommends for approval accordingly. A total of 17 research proposals were considered during the year 2017, 2018 and 2019 for grant in aid under the CDM Plan Scheme.

6.5.3 Six research studies on various topics of interest to the Ministry have been completed during the period. They are as follows:-

- (i) Assessment of credit stress in the Indian Corporate Sector,
- (ii) Impact Assessment of CSR Disclosure on Corporate Governance Mechanisms,
- (iii) Formative research on CSR Implementation under Section 135 of Companies Act, 2013: Coverage and emerging issues,
- (iv) Financial Distress and Bankruptcies in Indian Corporate Sector: Determinants and Policy Issue,
- (v) Understanding and highlighting sources of finance of companies registered with MCA21; divergences and similarities therein, and reasons thereof,
- (vi) Analyzing Cross-sectional variation in structure, financing and growth of firms in India,

6.5.4 A team of Young Professionals have also been engaged for internal research. Research papers on (i) Non-Performing Assets (Twin Balance-sheet problem of Corporates and Banks), (ii) Public Deposits and (iii) Non-Banking Financial Companies in India have already been prepared. Few more research papers will be prepared with their help in R&A Division in future as an ongoing exercise to help provide research inputs to the Ministry for taking policy decisions and changes.

National Foundation for Corporate Governance

6.6.1 The National Foundation for Corporate Governance (NFCG) has been established as a Trust jointly by the Ministry of Corporate Affairs, Confederation of Indian Industry (CII), and Institute of Chartered Accountants of India (ICAI) and Institute of Company Secretaries of India (ICSI). The Institute of Cost and Works Accountants of India (now Institute of Cost Accountants of India), National Stock Exchange of India Limited (NSE) and Indian Institute of Corporate Affairs (IICA) have also been inducted as members of the NFCG.

6.6.2 The basic objective of the Foundation is to promote good corporate governance practices amongst the Indian Corporate Sector as the key to sustainable wealth creation. The Governing Council of NFCG works at the apex level for policy making which is chaired by the Minister of Corporate Affairs.

6.6.3 The activities conducted under the aegis of NFCG include seminars and conferences on subject related to corporate governance, research activities on

corporate governance practices in Indian companies etc. NFCG also functions as a platform to harmonize various initiatives on corporate governance at the national level and remains in contact with similar organizations across the world.

Vigilance

6.7.1 Vigilance Wing obtains factual information with regard to various complaints received against the employees of the Ministry, conducts preliminary enquiry against the employees alleged for involvement in corruption. Deals with various disciplinary matters involving vigilance angle and administrative angle such as Suspension, Regular Departmental Action, Sanction for prosecution, court cases, etc. It also makes efforts to streamline the existing procedures so as to minimize the scope of corruption and to ensure probity among government servants. Towards this end, various instructions based on the result of complaints and case studies on disciplinary proceedings instituted/conducted against officers/officials of the Ministry, as a matter of preventive vigilance so as to avoid repetition of similar misconduct by other employees of the Ministry, have been issued.

Rashtra-Bhasha

6.8.1 The Ministry has an Official Language Implementation Committee (OLIC), chaired by the Joint Secretary (General Administration), to monitor the implementation of the Official Language Policy of the Union Government and the progressive use of Hindi in the official work of the Ministry. During the year under report, quarterly meetings of the OLIC were held regularly in accordance with the

guidelines issued by the Department of Official Language.

6.8.2 The Official language Section continues to review the position of the progressive use of Hindi in the Ministry and subordinate offices regularly through quarterly progress reports, inspections and translation of documents issued under section 3(3) of Official Language Act. Besides, officers of the Official language Section also participated in the meetings of the OLIC of the Attached and Subordinate offices, etc., and extended necessary guidance to them in the implementation of the Official Language Act and Rules.

6.8.3 With a view to create awareness regarding the use of Hindi in the official work of the Ministry, a Hindi Fortnight was held from the 2nd - 16th September, 2019. On this occasion, the Hon'ble Minister of Corporate Affairs issued an appeal to all officers and staff of the Ministry to perform their official work more in Official Language. During the Hindi Fortnight, various Hindi competitions, such as essay writing, noting and drafting, translation and vocabulary, poetry recitation, debate and dictation were organized, and a large number of employees participated in these competitions. Cash awards and certificates of appreciation were given to the winners of these competitions.

6.8.4 The First Sub-Committee of the Committee of Parliament on Official Language conducted Inspections in respect of two offices of the Ministry to review the position regarding the progressive use of Hindi during the year. The officers of this Ministry were also present in these Inspection meetings.

6.8.5 Employees proficient in Hindi were deputed to undergo training in Hindi workshops organized by the Official Language Section from time to time for further enhancement of Official Language.

Infrastructure Section

6.9.1 Infrastructure Section has been playing a vital role towards providing better infrastructure to field offices of the Ministry by acquiring land, constructing buildings on the purchased land, purchasing built up office space and renovating and furnishing of these build up office space to give face lift. During the period from 1st December, 2018 to 30th November, 2019, Infrastructure Section has carried out the following work:-

- (a) Renovation of the space hired for IBBI at the 2nd floor of Jeewan Vihar, New Delhi Through M/sNBCC Services Limited;
- (b) Completed construction of Corporate Bhawan at Thaltej, Ahmedabad through M/s NBCC (India) Limited. The Office of the OL, Ahmedabad and NCLT Ahmedabad have started functioning from the Corporate Bhawan;
- (c) Completed renovation works at the accommodation hired at Vijayawada for setting of RoC, Andhra Pradesh at Vijaywada;
- (d) Completed renovation works at the accommodation hired at Prithvi Planet, G.S. Road, Ulubari, Guwahati for RD(NR), Roc(NER), OL, Guwahati;
- (e) Completed renovation works at the

accommodation hired at Cuffe Prade, Mumbai for NCLT, Mumbai Bench;

- (f) Carried out renovation works at the office spaces hired at the 4th and the 7th floors of the Hindustan Times House, 18-20, K.G. Marg, New Delhi.
- (g) Hired office accommodation of MTNL Building CGO Complex, New Delhi for shifting of NCLAT, Delhi. Renovation works are in progress;
- (h) Renovation works are in progress at the 1st floor of Block No. 12, CGO Complex, New Delhi for setting up of 2 additional courts for NCLT, Delhi Bench;
- (i) Accommodation has been hired from Indore Development Authority (IDA), Indore for setting up of NCLT, Indore Bench. The work of renovation has been assigned to IDA, Indore;
- (j) Accommodation has been hired from APIICO at Mangalagiri for setting up NCLT, Vijayawada Bench. The work of renovation has been assigned to APIICO;
- (k) Finalised Layout Plans of the space hired for NFRA at the 8th floors of the Hindustan Times House, 18-20, K.G. Marg, New Delhi.

- (l) Preconstruction activities for construction of Corporate Bhawan through CPWD at the plot purchased at Kolkata are in progress.

Citizen's/Client's Charter

6.10.1 The Ministry of Corporate Affairs, being a regulatory Ministry, has regular public interactions for performing its regulatory functions, which most often take form of rendering its services to various stakeholders. The Ministry has posted a detailed Citizen's/Client's Charter, accessible on its website. In this Charter, the Ministry has given a detailed list of services/transactions, processes involved, requisite documents and fees applicable in its Citizen's Charter. It has also set the standards of performance/time limits against each of the services/transactions. The same is at **Annexure-VI** of this Report.

Representation of Scheduled Castes(SCs), Scheduled Tribes (STs), Other Backward Classes (OBCs)

6.11.1 The representation of Scheduled Castes (SCs), Scheduled Tribes (STs) and Other Backward Classes (OBCs) in the Ministry in respect of cadres under the purview of Administration-I Section is shown in **Table 6.9**.

Table 6.9
Representation of SCs, STs and OBCs in the Headquarter and Field Offices (As on November, 2018)

Group	Sectioned Strength	In position			
		Total	SC	ST	OBC
A	69	59	08	02	07
B	103	75	11	05	07
C	101	64	12	00	14
TOTAL	273	198	31	7	28

6.11.2 The representation of Scheduled Castes (SCs), Scheduled Tribes (STs) and Other Backward Classes (OBCs) in the

Ministry in respect of employees working in field offices and headquarters under administrative control of Administration-II Section is as under in **Table 6.10**.

Table 6.10

Representation of SCs, STs and OBCs in the Headquarter and Field Offices (As on November, 2018)

Group	Total No. of employees in Position	In position			
		UR	SC	ST	OBC
A	247	137	36	25	49
B	362	209	62	31	60
C	271	130	63	28	50
TOTAL	880	476	161	84	159

Investor Grievance Management Cell

6.12.1 The Ministry received 8,093 grievance petitions from the investors/depositors on the CPGRAMS Portal during the period 1st December, 2018 to 13th November, 2019. As on 13th November, 2019 a total of 8,101 grievances were resolved with subordinate office.

6.12.2 Further, IGM Section received 848 off-line grievance out of which 273 grievances pertaining to other agencies & ministries were sent to respective offices such as SEBI, RBI, Ministry of Finance (Banking Division, Capital Market Division) Department of Revenue, Ministry of Labour & Employment, IRDA, Department of Public Enterprises etc. and remaining 575 grievances pertaining to MCA were sent to different sections of MCA & its subordinate offices/ the respective authorities for necessary action.

Right to Information

6.13.1 MCA is a Public Authority under the provisions of the Right to Information Act,

2005. In order to comply with the provisions of the Right to Information Act, 2005, the Ministry has made arrangements under this landmark Act.

6.13.2 In order to fulfil the obligations and provisions under section 4(1)(b) of the Right to Information Act, 2005, updated information has been uploaded on the website (www.mca.gov.in) of the Ministry along with brief description of subject matters dealt by various Sections/ Divisions/Cells of the Ministry. This information is being kept in the public domain and is updated regularly. Designated officers of the Ministry have been nominated and have been declared as the Central Public Information Officers (CPIOs) and the Appellate Authorities (AAs) in addition to their allotted work. Field offices under this Ministry have also been declared as Public Authorities under the Right to Information Act. Applications/appeals under right to information are also being received through Central Assistant Public

Information Officers (CAPIOs) nominated at Sub-Divisional level or Sub-District level by the Department of Posts. Further, most of the Public Authorities of MCA have been aligned with the RTI-MIS Portal which facilitate the citizens to make applications and appeals online.

6.13.3 Similarly, arrangements to implement proactive disclosure have been made by other Public Authorities under the ambit of MCA, viz. National Company Law Tribunal, Competition Commission of India, Serious Fraud Investigation Office, Indian Institute of Corporate Affairs,

National Company Law Appellate Tribunal, Institute of Chartered Accountants of India, Institute of Cost Accountants of India and Institute of Companies Secretaries of India, National Financial Reporting Authority, Insolvency and Bankruptcy Board of India and Investor Education and Protection Fund (IEPF).

6.13.4 The statistics in respect of applications and appeals received under the Right To Information in MCA (Hqrs.) from 1st December, 2018 to 15th November, 2019 are given below at **Table 6.10**:

Table 6.10
Details of RTI Requests and Appeals from 1st December, 2018 to 15th November, 2019)

1.	Total no. of applications received	2,063
2.	Transferred to other Public Authorities	1,116
3.	Decisions where requests for information were rejected	7
4.	Total no. of appeals received	125
5.	No. of cases where disciplinary action was taken against any officer in respect of administration of the Act	Nil
6.	No. of cases where CIC imposed penalty	Nil

Budget of the Ministry 2019-20 (up to January 2020)

6.14.1 The details of the Revenue Receipts

and Expenditure (Capital and Revenue) of the Ministry are given below (**Table 6.11 and Table 6.12**).

Table 6.11
Revenue Receipts

(in crore)

2015-16	2016-17	2017-18	2018-19	2019-20 (As on 10th January 2020)
1,871.33	1,985.83	2,350.01	2,752.90	3,611.43

Table 6.12
Expenditure (Revenue & Capital)

	Actual Expenditure 2018-19	Budget Estimate 2019-20	Revised Estimate 2019-20	Actual Expenditure 2019-20 (as on 10.01.2020)
Revenue	544.45	545.34	563.50	393.98
Capital	35.97	41.00	12.50	9.80
Total	580.42	586.34	576.00	403.78

International Cooperation

6.15.1 The achievements/activities of International Cooperation Section during the period 1st December, 2018 to 18th November 2019 are as follows:-

- i. Memorandum of Understanding (MoU) between the “Institute of Company Secretaries of India (ICSI)” and Malaysian Association of Company Secretaries (MACS)” for Mutual Cooperation was approved by the Cabinet on 6th February, 2019.
- ii. Ex-post approval of the MoU between signed in 2008 and renewed in 2014 between the Institute of Chartered Accountant of India (ICAI) and Institute of Chartered Accountant of in England and Wales (ICAEW). Renewal of the Memorandum of Understanding between the India Institute of Chartered Accountant of India (ICAI) and Institute of Chartered Accountant of in England and Wales (ICAEW) was approved by the Cabinet on 7th March, 2019.
- iii. MoU between the ICAI and the Kuwait Accountants and Auditors Association (KAAA) was approved by the Cabinet

on 23rd October, 2019.

Competition Section

6.16.1 Competition Section deals with matters relating to the enforcement of Competition Act; the formation of Competition Policy; all establishment, personnel and financial matter of Competition Commission of India (CCI) and Office of Director General, CCI requiring approval of Central Government; appointment of Chairperson and Members in CCI s well as Director General, CCI and the condition of service thereof.

Professional Institutes

6.17.1 Committee of Experts to examine the need for an institutional framework for regulation and development of Valuation Professionals: An eight member 'Committee of Experts' headed by IBBI chairman, Shri M.S. Sahoo has been constituted to examine the need for an institutional framework for regulation and development of valuation professionals. The Committee would examine the regulatory architecture, including the extent of self-regulation and statutory regulation, governance of the regulatory

institutions, monitoring of the conduct and performance of valuers and disciplinary mechanism. The Committee will also look at a mechanism for development of a cadre of valuers, including the current practitioners and freshers who wish to have a career in valuation profession, other aspects such as provision of valuation services, including market structure, valuation standards.

Strengthening of Disciplinary Mechanism in 3 PIs and Amendment in Regulations, Rules and Acts based on HLC report:

6.17.2 In order to consider recommendations of High Level Committee constituted under Meenakshi Datta Ghosh to review the disciplinary mechanism in three professional institutes as also other provisions of the three Acts governing them, meetings were held with their President and other council members. It has been noted that suitable amendments in the Act and Rules are required to strengthen the disciplinary mechanisms in the three institutes, namely, ICAI, ICSI and ICoAI. Further certain other provisions of the Act also require a revisit and amendments to incorporate the demands of present day global economy.

6.17.3 Three Professional Institutes viz. ICAI, ICSI and ICoAI are making efforts to

make adjudication of Disciplinary cases in their respective institutes online with provisions for e-filing of complaints, e-hearing etc.

GST Account Assistant Scheme:

6.17.4 Ministry of Corporate Affairs along with two Professional Institutes viz.

ICAI & ICoAI had conceptualized a “GST Account Assistant” scheme under the Champion Service Sectors Scheme. Under this scheme, it is being contemplated that in order to build capacity, a cadre of GST Account Assistant is proposed to be created at the ground level to enhance availability of trained professionals in every nook and corner of the country and resultant compliance of GST Statute by SMEs & SMPs at affordable cost to them. The proposed funding required for the implementation of the scheme would be Rs.975 Cr for three years (Rs. 325 crore per year). It is proposed to train 7.5 lakh students per year.

6.17.5 Secretary (Expenditure) in EFC meeting on 6th September, 2019 had not considered GST Account Assistant Scheme for funding. The Secretary, Corporate Affairs has sent a D.O. letter to Secretary, Expenditure requesting to consider funding for the scheme with target of training 7.5 Lakh students for 3 years with revised budgetary requirement of Rs. 225 Crore, without laptop subsidy.

ANNEXURES

(I to VI)

List of notified designated Special Courts for various States/UTs from 1st April, 2019 to 30th November, 2019

Sl. No.	Existing Court	Jurisdiction as Special Court
(1)	(2)	(3)
01	Court of District Judge-1 and Additional Sessions Judge, Pune	State of Maharashtra - (Notification no. S.O. 2564(E) dated 17.07.2019).
02	Presiding Officers of Court No's. 37 and 58 of the City Civil and Sessions Court, Greater Mumbai.	Whole State of Maharashtra except Pune, Ahmednagar, Kolhapur, Solapur, Satara, Sangli, Ratnagiri and Sindhudurg districts of the State of Maharashtra - (Notification No. S.O. 3119(E) dated 28.08.2019- amendment in the earlier notification no. S.O. 1796(E) dated 18.05.2016).
03	Court of District Judge-1 and Additional Sessions Judge, Pune.	Pune, Ahmednagar, Kolhapur, Solapur, Satara, Sangli, Ratnagiri and Sindhudurg districts of the State of Maharashtra - (Notification No. S.O. 3120(E) dated 28.08.2019- supersession in the earlier notification no. S.O. 2564(E), dated 17.07.2019).
04	(i) Courts of Additional Sessions Judges Anticorruption, Jammu and Srinagar (ii) Court of IV Additional District and Session Judge, Dehradun (iii) Principal Sessions Judge, Leh	(i) Union territory of Jammu and Kashmir. (Notification No. S.O. 4569(E) dated 19.12.2019- amendments in the notification no. S.O. 1796(E), dated 18.05.2016). (ii) State of Uttarakhand (iii) Union territory of Ladakh - (Notification No. S.O. 4570(E) dated 19.12.2019)

<p>(iv) Following Special Courts has been designated for the purpose of providing speedy trial of other offences as mentioned in clause (b) of sub-section (2) of section 435 of the said Act, namely:-</p> <ol style="list-style-type: none"> 1. Court of II Additional Chief Judicial Magistrate. 2. Sub-Judge/Special Mobile Magistrates, Jammu and Srinagar. 3. Chief Judicial Magistrate, Leh 	<ol style="list-style-type: none"> 1. Dehradun State of Uttarakhand 2. Union territory of Jammu and Kashmir 3. Union territory of Ladakh
---	---

Notifications
Notification 1st November, 2018 to 31st December, 2019

Sl. No.	Notification Number	Date	Subject
(1)	(2)	(3)	(4)
1	G.S.R.1108(E)	13.11.2018	Companies (Registered Valuers and Valuation) Fourth Amendment Rules, 2018
2	G.S.R. 1111(E)	13.11.2018	National Financial Reporting Authority Rules, 2018.
3	G.S.R. 1157(E)	03.12.2018	Companies (cost records and audit) Amendment Rules, 2018
4	G.S.R. 1218(E)	18.12.2018	Companies (Registration of Charges) Second Amendment Rules, 2018
5	G.S.R. 1219(E)	18.12.2018	Companies (Incorporation) Fourth Amendment Rules, 2018
6	S.O. 6225 (E)	18.12.2018	Delegates to the Regional Directors at Mumbai, Kolkata, Chennai, New Delhi, Ahmedabad, Hyderabad and Shillong
7	G.S.R.29(E)	15.01.2019	National Company Law Tribunal (Amendment) Rules, 2019.
8	G.S.R. 42(E)	22.01.2019	Companies (Acceptance of Deposits) Amendment Rules, 2019
9	G.S.R. 43(E)	22.01.2019	Companies (Prospectus and Allotment of Securities) Amendment Rules, 2019
10	S.O. 368(E)	22.01.2019	Companies (Furnishing of information about payment to micro and small enterprise suppliers) Order, 2019
11	S.O. 560(E)	30.01.2019	Registration of Companies (Sikkim) Act, 1961 (Sikkim Act 8 of 1961)] shall come into force
12	G.S.R. 100(E)	08.02.2019	Companies (Significant Beneficial Owners) Amendment Rules, 2019

13	G.S.R. 131(E)	19.02.2019	Companies (Adjudication of Penalties) Amendment Rules, 2019
14	G.S.R. 130(E)	19.02.2019	Companies (Prospectus and Allotment of Securities) Second Amendment Rules, 2019.
15	G.S.R. 144(E)	21.02.2019	Companies (Incorporation) Amendment Rules, 2019
16	G.S.R. 143(E)	21.02.2019	Companies (Registration Offices and Fees) Amendment Rules, 2019
17	G.S.R.180(E)	06.03.2019	Companies (Incorporation) Second Amendment Rules, 2019.
18	G.S.R. 273(E)	30.03.2019	Companies (Indian Accounting Standards) Amendment Rules, 2019
19	G.S.R. 274(E)	30.03.2019	Companies (Indian Accounting Standards) Second Amendment Rules, 2019.
20	G.S.R. 329(E)	25.04.2019	Companies (Registration Offices and Fees) Rules, 2014.
21	G.S.R. 332(E)	25.04.2019	Companies (Incorporation) Rules, 2014
22	G.S.R. 339(E)	30.04.2019	Amendment in Companies (Appointment and Qualification of Directors) Rules, 2014
23	G.S.R. 340(E)	30.04.2019	Companies (Registration Offices and Fees) Rules, 2014
24	G.S.R. 341(E)	30.04.2019	Amendment in Companies (Acceptance of Deposits) Rules, 2014
25	G.S.R. 350(E)	08.05.2019	Companies (Removal of Names of Companies from the Register of Companies) Amendment Rules, 2019.
26	G.S.R. 351(E)	08.05.2019	National Company Law Tribunal (Second Amendment) Rules, 2019.
27	G.S.R. 357(E)	10.05.2019	Companies (Incorporation) Fifth Amendment Rules, 2019.
28	G.S.R. 368(E)	16.05.2019	Companies (Appointment and Qualification of Directors) Second Amendment Rules, 2019.

29	G.S.R. 376(E)	22.05.2019	Companies (Prospectus and Allotment of Securities) Third Amendment Rules, 2019.
30	G.S.R. 377(E)	22.05.2019	National Financial Reporting Authority (Meeting for Transaction of Business) Rules, 2019.
31	G.S.R. 411(E)	07.06.2019	Companies (Incorporation) Sixth Amendment Rules, 2019.
32	G.S.R. 466(E)	01.07.2019	Companies (Significant Beneficial Owners) Rules, 2018.
33	S.O. 2269(E)	01.07.2019	Commencement of the provisions of Section 81 of the Companies (Amendment) Act, 2017.
34	G.S.R. 467(E)	01.07.2019	Amendments in the Nidhi Rules, 2014.
35	S.O. 2564(E)	17.07.2019	Designation of Special Court in the State of Maharashtra.
36	G.S.R. 527(E)	25.07.2019	Companies (Registration Offices and Fees) Rules, 2014.
37	S.O. 2650(E)	25.07.2019	Notification regarding amendment in earlier notification no. S.O.831(E) dated 24.03.2015.
38	S.O. 2651(E)	25.07.2019	Notification regarding establishment of O/o The RoC at Guwahati.
39	S.O. 2652(E)	25.07.2019	Notification regarding amendment in earlier notification no. G.S.R.832(E) dated 03.11.2015.
40	G.S.R. 528(E)	25.07.2019	Amendments in the Companies (Appointment and Qualification of Directors) Rules, 2014.
41	S.O. 2947(E)	14.08.2019	Notification regarding commencement of Sections 6, 7, 8, 14, 20, 31, 33, 34 etc. of the Companies (Amendment) Act, 2019.
42	G.S.R. 574(E)	16.08.2019	Amendments in the Companies (Share Capital and Debentures) Rules, 2014.
43	G.S.R. 603(E)	28.08.2019	Amendments in the Companies (Incorporation) Rules, 2014.

44	S.O. 3119(E)	28.08.2019	Notification regarding amendment in earlier notification no. S.O.1796(E) dated 18.05.2016.
45	S.O. 3120(E)	28.08.2019	Notification regarding supersession of the earlier notification no. S.O.2564 (E) dated 17.07.2019.
46	G.S.R. 636(E)	05.09.2019	NFRA (Amendments) Rules, 2019.
47	G.S.R.750(E)	30.09.2019	Amendment in Companies (Appointment and Qualification of Directors) Rules, 2014.
48	G.S.R.749(E)	30.09.2019	Amendment in Companies (Registration Offices and Fees) Rules, 2014.
49	G.S.R.777(E)	11.10.2019	Amendment in Companies (Meeting of Board and its Powers) Rules, 2014.
50	S.O. 3791(E)	11.10.2019	Notification regarding IICA at Manesar as the Institute to create and maintain the data bank containing names, addresses and qualifications of persons who are eligible and willing to act as independent directors.
51	G.S.R. 792(E)	15.10.2019	Notification regarding Companies (cost records and audit) Amendment Rules, 2019.
52	G.S.R. 794(E)	15.10.2019	Notification regarding amendment in Companies (Filing of Documents and Forms in Extensible Business Reporting Language) Rules, 2015.
53	G.S.R. 793(E)	16.10.2019	Notification regarding Companies (Incorporation) Eighth Amendment Rules, 2019.
54	G.S.R. 803(E)	22.10.2019	Notification regarding amendment in Companies (Accounts) Rules, 2014.
55	G.S.R. 804(E)	22.10.2019	Notification regarding amendment in Companies (Appointment and Qualification of Directors) Fifth (Amendment) Rules, 2019 and the Companies (Accounts) Rules, 2019.
56	G.S.R. 805(E)	22.10.2019	Notification regarding new set of Rules namely the Companies (Creation and

			Maintenance of Data bank of Independent Directors) Rules, 2019.
57	S.O. 3955(E)	30.10.2019	Notification regarding the jurisdiction in respect of UT of Jammu and Kashmir and UT of Ladakh.
58	S.O. 3957(E)	30.10.2019	Notification regarding amendment in the earlier notification vide no. GSR 832(E) dated 03.11.2015.
59	S.O. 3956(E)	30.10.2019	Notification regarding amendment in the earlier notification vide no. GSR 831(E) dated 24.03.2015.
60	G.S.R. 857(E)	18.11.2019	Notification regarding amendment in Companies (Meetings of Board and its Powers) Rules, 2014.
61	S.O. 4569 (E)	19.12.2019.	Amended the jurisdiction of Courts of Additional Sessions Judges Anti-corruption, Jammu and Srinagar to Union Territory of Jammu and Kashmir.
62	No.S.O.4570 (E)	19.12.2019	Designated the Special Courts in the State of Uttarakhnd and Union territories of Jammu & Kashmir and Ladakh for speedy trial of offences mentioned under section 435(2) (a) and (b) of the Companies Act, 2013.

Annexure-IV

General Circulars 1st December, 2018 to 31st December, 2019

Sl. No.	Circular Number	Date	Subject
(1)	(2)	(3)	(4)
1	11/2018	10.12.2018	Relaxation of additional fees and extension of last date of in filing of CRA-4 (Cost Audit Report in XBRL format
2	12/2018	13.12.2018	Extension of the last date of filing of Form NFRA-1
3	01/2019	21.02.2019	Extension for last date of filing initial return in MSME Form I
4	03/2019	11.03.2019	Clarification on filing of e-form RD-1-Conversion of public company into private company and change in a Financial Year
5	04/2019	04.04.2019	Extension of last date for filing e-form CRA-2
6	05/2019	12.04.2019	Filing of one time return in DPT-3 Form.
7	06/2019	13.05.2019	Clarification for form ADT-1 filed through GNL-2 under the Companies Act, 2013
8	07/2019	27.06.2019	Filing DIR-3 KYC under the Companies Act, 2013.
9	08/2019	29.07.2019	Relaxation of additional fees and extension of last date of filing of Form BEN-2 under the Companies Act, 2013.
10	09/2019	21.08.2019	Clarification under section 232(6) of the Companies Act, 2013.
11	10/2019	24.09.2019	Relaxation of additional fees and extension of last date of filing of Form BEN-2 and BEN-1 under the Companies Act, 2013.

12	12/2019	24.10.2019	Relaxation of additional fees and extension of last date of filing of CRA-4 (cost audit report) for FY 2018-19 under the Companies Act, 2013
13	13/2019	29.10.2019	Relaxation of additional fees and extension of last date in filing of forms MGT-7 (Annual Return) and AOC-4 (Financial Statement) under the Companies Act, 2013.
14	14/2019	27.11.2019	Extension of the last date of filing of Form NFRA-2.
15	15/2019	28.11.2019	Ministry has extended the due date for filing of eforms AOC-4, AOC-4(CFS), AOC-4 XBRL and e-form MGT-7 upto 31.1.2020, for companies having jurisdiction in the UT of J&K and UT of Ladakh without levy of additional fee.
16	16/2019	28.11.2019	The time limit for filing Form PAS-6 (Reconciliation of Share Capital Audit Report) for the half year ending on 30.9.2019 has been extended by 60 days from the date of deployment of the form on the website of the Ministry.
17	17/2019	30.12.2019	Extension of the last date of filing Form CRA-4 (cost audit report)

List of the Benches of National Company Law Tribunal

Sl. No	Title of Bench	Location	Territorial Jurisdiction of the Bench
1.	(a) NCLT, Principal Bench. (b) NCLT, New Delhi Bench	Block No. 3, Ground Floor, 6 th , 7 th & 8 th Floor, CGO Complex, Lodhi Road, New Delhi-110003	(1) Union Territory of Delhi
2	NCLT Ahmedabad Bench	Anand House, Ground Floor, 1st & 2nd Floor, SG Highway, Thaltej, Ahmedabad-380054	(1) State of Gujarat (2) State of Madhya Pradesh (3) Union Territory of Dadra and Nagar Haveli (4) Union Territory of Daman and Diu
3	NCLT Allahabad Bench	9th Floor, Sangam Place, Civil Lines Allahbad-211001	(1) State of Uttar Pradesh (2) State of Uttrakhand
4	NCLT Bengaluru Bench	Corporate Bhawan, 12th Floor, Raheja Towers, M.G., Road, Bengaluru-560001	(1) State of Karnataka
5	NCLT Chandigarh Bench	Ground Floor, Corporate Bhawan, Sector-27 B, Madhya Marg, Chandigarh-160019	(1) State of Himachal Pradesh (2) State of Jammu and Kashmir (3) State of Punjab (4) Union Territory of Chandigarh (5) State of Haryana
6	NCLT Chennai Bench	Corporate Bhawan (UTI Building), 3rd Floor, No. 29 Rajaji Salai, Chennai-600001	(1) State of Tamil Nadu (2) Union Territory of Puducherry

7	NCLT Guwahati Bench	4th Floor, Prithvi Planet Behind Hanuman Mandir, G.S. Road, Guahati-781007	(1) State of Arunchal Pradesh (2) State of Assam (3) State of Manipur (4) State of Mizoram (5) State of Meghalaya (6) State of Nagaland (7) State of Sikkim (8) State of Tripura
8	NCLT Hyderabad Bench	Corporate Bhawan, Bandlaguda Tattiannaram Village, Hayatnaga Mandal, Rangareddy District, Hyderabad- 500068	(1) State of Andhra Pradesh (2) State of Telangana
9	NCLT Kolkata Bench	5, Esplanade Row (West), Town Hall Ground and 1 st Floor Kolkata- 700001	(1) State of Bihar (2) State of Jharkhand (3) State of West Bengal (4) Union Territory of Andaman and Nicobar Island
10	NCLT Mumbai Bench	6th Floor, Fountain Telecom Building No.1, Near Central Telegraph, M.G. Road, Mumbai- 400001	(1) State of Maharashtra (2) State of Goa
11	NCLT Jaipur Bench	Corporate Bhawan, Residency Area, Civil Lines, Jaipur-302001	(1) State of Rajasthan
12	NCLT Cuttack Bench	Corporate Bhawan, CDA, Sector-1 Cuttack-753014	(1) State of Odisha (2) State of Chhattisgarh.
13	NCLT Kochi Bench	Kunnumpuram, Vazhakkala, Kochi, Kerala-682021	(1) State of Kerala (2) Union Territory of Lakshadweep



Citizens'/ Clients' Charter
Ministry of Corporate Affairs

S. No.	Our Services/ Transactions	How we measure our performance in this area	Our Service Standard
1.	Availability of names for new company	Maximum time to inform deficiencies in the application from the date of receipt of the application.	2 Working Days
		Maximum time taken to communicate approval by the concerned ROC on receipt of the application	2 Working Days
2.	Incorporation of a Company	Maximum time to inform deficiencies in the application from the date of receipt of the application	2 Working Days
		Maximum time taken to communicate approval and issue of certificate of Incorporation by the concerned ROC on receipt of the application	2 Working Days
3.	Registration of unregistered Companies	Maximum time to inform deficiencies in the application from the date of receipt of the application	2 Working Days
		Maximum time taken to issue of certificate of Registration by the concerned ROC on receipt of approval	2 Working Days
4.	Registration of a place of Business in India by a company incorporated outside India	Maximum time to inform deficiencies in the application from the date of receipt of the application	2 Working Days
		Maximum time taken to issue of certificate by the concerned ROC on receipt of approval	1 Working Days

5.	Change of name of the Company	Maximum time to inform deficiencies in the application from the date of receipt of the application	3 Working Days
		Maximum time taken to issue of certificate by the concerned ROC on receipt of approval	3 Working Days
6.	Registration for change of Objects of the Company	Maximum time to inform deficiencies in the application from the date of receipt of the application	3 Working Days
		Maximum time taken to issue of certificate by the concerned ROC on receipt of approval	2 Working Days
7.	Conversion of Private Company to Public company	Maximum time to inform deficiencies in the application from the date of receipt of the application	3 Working Days
		Maximum time taken to issue of certificate by the concerned ROC on receipt of approval	3 Working Days
8.	Conversion of unlimited Company to limited Company	Maximum time to inform deficiencies in the application from the date of receipt of the application	3 Working Days
		Maximum time taken to issue of certificate by the concerned ROC on receipt of approval	3 Working Days
9.	Registration of a Prospectus before issue of IPO or FPO	Maximum time to inform deficiencies in the application from the date of receipt of the application	2 Working Days
		Maximum time taken to issue acknowledgement by the concerned ROC from the date of receipt of the application.	1 Working Days
10	Registration of Charge Creation/modification/satisfaction	Maximum time to inform deficiencies in the application from the date of receipt of the application	3 Working Days

		Maximum time taken to issue of certificate by the concerned ROC on receipt of approval	2 Working Days
11.	Condonation of delay in filing of satisfaction of charge	Maximum time to inform deficiencies and take up queries and clarification on the application from the date of receipt of the application	20 Working Days
		Maximum time taken to issue of order granting condonation by the concerned Regional Director on receipt of approval	10 Working Days
12.	Application for extension of time to hold AGM	Maximum time to inform deficiencies in the application from the date of receipt of the application	5 Working Days
		Maximum time taken to communicate approval by the concerned ROC on receipt of approval	2 Working Days
13.	Registration of Court or NCLT or RD order.	Maximum time to inform deficiencies in the application from the date of receipt of the application	2 Working Days
		Maximum time taken for granting of license to the applicant on receipt of duly completed application form with required documents	2 Working Days
14.	Issuance of certified copies of documents of a company	Maximum time to inform deficiencies in the application from the date of receipt of the application	4 Working Days
		Maximum time taken to issue certified copy of the document on receipt of duly completed application form with required documents	3 Working Days
15.	Issuance of Director Identification Number (DIN).	Maximum time to inform deficiencies in the application from the date of receipt of the application	1 Working Days
		Maximum time taken to issue approval letter granting DIN on receipt of duly completed	1 Working Days

		application form with required documents.	
16.	Change in DIN Particulars	Maximum time to inform deficiencies in the application from the date of receipt of the application	1 Working Days
		Maximum time taken to issue letter for changing DIN on receipt of duly completed application form with required documents.	1 Working Days
17.	Conversion of company to LLP	Maximum time to inform deficiencies in the application from the date of receipt of the application.	2 Working Days
		Maximum time taken to issue certificate of conversion on receipt of duly completed application form with required documents.	3 Working Days
18.	Shifting of registered office of the company from one State to another	Maximum time to inform deficiencies and take up queries and clarification on the application from the date of receipt of the application	30 Working Days
		Maximum time taken to issue order confirming the change of Registered Office of a Company on receipt of duly completed application form with required documents	15 Working Days
19.	Shifting of registered office of the company from one RoC to another RoC within the State.	Maximum time to inform deficiencies in the application from the date of receipt of the application	45 Working Days
		Maximum time taken to issue order confirming the change of Registered Office of a Company on receipt of duly completed application form with required documents	15 Working Days
20.	Grant of license under Section 8 of the Companies Act, 2013.	Maximum time to inform deficiencies in the application from the date of receipt of the application	5 Working Days

		Maximum time taken for granting of license to the applicant on receipt of duly completed application form with required documents	2 Working Days
21.	Appointment or Reappointment of managing or whole time Director(s) or Manager (Section 196).	Maximum time to inform deficiencies in the application from the date of receipt of the application	15 Working Days
		Maximum time taken for communicating approval on receipt of application completed in all respect.	30 Working Days
22.	Investor Grievance Redressal /CPGRAMS	Maximum time taken to dispose of from the date of receipt of grievance	30 Working Days
23.	Other Grievances/ Complaints related to MCA- 21	Maximum time taken to dispose of from the date of receipt of grievance.	30 Working Days
24.	Application for seeking status of Company as dormant under Section 455	Maximum time to inform deficiencies from date of receipt of the form	3 Working Days
		Maximum time to communicate approval or intimation about the form having been taken on record	2 Working Days
25.	Application for seeking status of Company as active under Section 455	Maximum time to inform deficiencies from date of receipt of the form	3 Working Days
		Maximum time to communicate approval or intimation about the form having been taken on record	2 Working Days
26.	Registration of intimation about appointment of Receiver/Manager [Section 84(1)]	Maximum time to inform deficiencies from date of receipt of the form	3 Working Days
		Maximum time to communicate approval or intimation about the form having been taken on record	2 Working Days
27.	Condonation of delay u/s 460 of the Companies Act, 2013	Maximum time to inform deficiencies in the application from the date of receipt of the application	15 Working Days

		Maximum time taken to issue of approval by CG	30 Working Days
28.	Refund of claims (dividends and other amounts remaining unclaimed/ unpaid for a period of 7 years or more are transferred to Investor Education and Protection Fund Authority as per section 124/125 of Companies Act, 2013. Further, the shares corresponding to the dividends are also transferred to IEPF Authority) from IEPF Authority.	Maximum time for completing the processing of claim application from the date of receipt of application along with verification report & complete requisite documents	60 Working Days
29.	Conversion of Public Company into Private Company u/s14 of the Companies, Act,2013	Maximum time to inform deficiencies in the application from the date of receipt of the applications	15 Working Days
		Maximum time taken to issue of approval by CG(after resubmission)	15 Working Days
30.	Merger/Demerger of Companies u/s. 233 of the Companies Act 2013	Maximum time to inform deficiencies in the application from the date of receipt of the applications	21 Working Days
		Maximum time taken to issue of approval by CG	60 Working Days



सत्यमेव जयते

Government of India
Ministry of Corporate Affairs

